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Central Eurasia
SUPPLEMENT

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Russia Cautiously Examines Security Options

964E0438A Moscow NEZAVISIMAYA GAZETA in Russian 29 Dec 95 p 4

[Article by Tatyana Yudina, candidate of historical sciences: "NATO and Anti-NATO: The CIS Collective Security System Should Not Counterpose Itself as if It Already Existed"]

[FBIS Translated Text] The problem of NATO's expansion continues to attract a lot of attention. As a result of its prolonged and detailed discussion in the press and at open and closed conferences and seminars, a certain consensus has formed concerning the undesirability for Russia of the admission of Central and East European countries, and also of the Baltics, into NATO.

Arguing this point of view, representatives of the Russian political and military elite note that reformation of NATO, which would be indicative of the bloc's reorientation and its transformation from a military to a political-military organization, is in a rudimentary state. Of course, the doctrine of the North Atlantic alliance has changed in a definite way—at issue today is not confronting "a threat from the East," but rather finding answers to such new challenges as international terrorism, national conflicts, and the danger of ecological catastrophes. Nevertheless, partner relations between the NATO alliance and Russia, as a matter of fact, are still only just being conceived, and what is more, at issue is not the fact that some day Russia will become a member of the North Atlantic bloc.

While strengthening its influence in Europe, NATO has still not proposed a global, unifying project to European countries, including Russia, that would open up new prospects for European stability and allow a unification of the efforts of all European countries in the cause of creating a Europe of the 21st century on an equal and nondiscriminatory basis. The North Atlantic Cooperation Council and the Partnership for Peace program cannot seriously aspire to this, even though they perform an important function today. The promotion of such a project could breathe new life into the North Atlantic alliance in the future. Instead of this, efforts are being undertaken to return NATO to the logic of past years, which advanced the idea of the admission of countries of TsVE [Central and East Europe] without Russia, which in itself was interpreted by Moscow as an attempt to isolate it and to ignore its legal interests.

At the same time, in requesting admission into NATO, Central and East European countries are trying to justify it mainly because of their "fear of the revival of Russian imperialism." These requests are met with support on the part of members of the alliance, who thereby in turn seem to acknowledge the possibility of such a turn of events by agreeing to "protect them from Russia." All this, in the final analysis, causes serious concern among Russian ruling circles, who believe that as a result of the expansion the bloc will move directly up to Russia's borders.

It would also be wrong to forget that plans for the expansion of NATO play into the hands of those Russian political forces that would like to attire themselves in the white garments of defenders of the Fatherland. The West, it is possible, while not desiring this itself, is in fact stimulating the development of a Russian discussion exactly in this direction, and, on the other hand, it is undermining the position of Russian supporters of a reasonable partnership with the West and promoting the influence of various kinds of parties that are gaining capital in fomenting anti-Western feelings.

At the same time it is obvious that in coming out against NATO's expansion, Russia should display great flexibility and patience. It seems that it is necessary to conduct work in three main directions: developing a partnership with the West, expanding cooperative and trust relationships with Central and East European countries, and strengthening ties with the CIS republics, on both a bilateral and multilateral basis.

It seems that the further establishment of ties between Russia and NATO should be one of the main directions of a Russian policy that is directed at the formation of a new comprehensive system of European security. In any case, regardless of whether new members will be admitted into NATO, it is in Russia's interests to have a partner near its borders, and not an enemy.

At the same time it can be assumed that Russia's turn to a new spiral of rivalry with the West will not postpone but, on the contrary, stimulate NATO expansion: Once again encountering the revival of such a familiar "USSR complex," the Central and East European countries will with redoubled energy insist on their admission into the North Atlantic bloc, which, undoubtedly, will find a response in Western capitals. For its part, partnership ties between Moscow and the West could also promote the development of relations between Russia and the Central and East European countries that today play an important role from the standpoint of strengthening European stability. And this, in turn, would help prevent, or at least postpone, a shift of the question concerning NATO expansion to a practical plane.

The idea is being expressed more and more frequently today that Russia will undertake a number of retaliatory measures in answer to an expansion of the alliance. The most important of these will be the creation of a military bloc within the CIS framework. Indeed, since the middle of 1994 centrifugal tendencies here have given way to centripetal tendencies. However, for a number of reasons the rapid creation of an "anti-NATO" bloc on the territory of the post-Soviet space seems problematical.

Some countries of the region are mechanically associating the possibility of intensified military-political cooperation with definite limitations on their sovereignty, and the additional expenditures, from their standpoint, are not fully justified. A resolution of all of these fundamental problems and the development and adoption of national doctrines of security, which are based on a realistic realization of interests, should not simply accompany but precede the inclusion of these states in one or another military bloc. It is obvious that only in this case can there be any question of the creation of a military alliance that realistically operates effectively.

We will note that the absence of a general threat is quite capable of bringing into question the functioning of the existing military alliance. This is partly occurring now with NATO. But in the absence of an enemy, the creation of a new bloc is even more problematical. The question of the real value of such an accelerated integration remains open: It is obvious that it is precisely Russia that will be compelled to assume the lion's share of the costs, or even simply finance entirely the future military- political organization, which, despite this, will still remain a fragile and unstable formation for a long time.

All this means that the idea of military-political integration of the CIS countries does not have a future. On the contrary, it is rather that today many factors are contributing to a mutual rapprochement of a number of countries of the Commonwealth, including in the military-political sphere as well. They are faced with important tasks whose resolution can only be found jointly. The necessity to avert and settle international conflicts, conduct joint peacekeeping operations in the post-Soviet space, recreate a unified air defense system, and guard external borders prompts the Commonwealth to develop and perfect a collective security system.

At the same time, it seems necessary not to become oriented on the revival of old forms of cooperation, but to strive to establish relations on a new basis which would respond to the challenges of the times to a great degree. Thus, for example, in the opinion of a number of experts, the question could concern the future perfection of the mechanism for conducting joint peacekeeping operations, but also cooperation "at different speeds," which presupposes the use by Russia of a so-called differentiated approach that allows it to take into account a greater or lesser degree of readiness of one or another state of the CIS to participate in the development of military ties and establish a system of collective security.

It is obvious at the same time that the development of military- political cooperation between the CIS countries under anti-West and anti-Soviet slogans is unlikely today. At the present time not one CIS country, including Russia itself, is ready to declare NATO a potential enemy and in behalf of this to undertake the establishment of a military-political alliance. At the same time, it would be wrong to forget that, despite the problems described above, an expansion of the North Atlantic alliance would become a primary factor in stimulating an accelerated military-political consolidation of the CIS countries under anti-NATO slogans.

*Russia: 1995's Foreign Currency Market Activities Reviewed

964E0495A Moscow NEZAVISIMAYA GAZETA in Russian 11 Jan 96 p 4

[Article by Yelena Yelina, PRIME AGENCY reporter on special assignment for NEZAVISIMAYA GAZETA: "The Foreign Currency Market Is Predictable Now, and the Central Bank Is Fully in Control"]

[FBIS Translated Text] The year of 1995 will go down in Russian history as the first year of relative financial stabilization. For the first time the government managed to lower the rate of inflation, achieve a certain degree of predictability in financial markets, and discourage people from keeping track of the MMVB [Moscow Interbank Currency Exchange] exchange rate as if it were a weather forecast. In general, however, the foreign currency market remained an important segment of the Russian financial market throughout 1995, and by the end of the year the Central Bank was already controlling the situation in this market and suppressing the slightest unplanned fluctuations in the exchange rate on the currency exchange and in the interbank market.

In 1995 the currency market in Russia was distinguished by the continued growth of the volume of operations and by significant changes in exchange rate dynamics. The volume of operations in the MMVB and the interbank market was twice as great as it had been in 1994. The dynamics of the dollar exchange rate in the Russian currency market could be divided into three periods: rapid growth (from January to the beginning of May), equally rapid decline (from May through June), and stabilization with a tendency toward growth after the institution of the "currency corridor" (from July to the end of the year).

The beginning of the year was still marked by a high rate of rise in the foreign currency exchange rate at a time of steady inflation. Confidence in the national currency was at a low level, and it is quite understandable that the dollar was viewed as the soundest form of capital. The characteristic heightened demand for dollars at the beginning of the year as a result of inflationary expectations exerted pressure on the interbank and MMVB rate of the dollar. The high yield of currency exchange operations when the dollar exchange rate was rising steadily made the foreign currency market much more appealing than other sectors of the financial market, and this, in view of the Central Bank's limited foreign currency reserves, created the threat of another "Black Tuesday." The Central Bank and the MMVB had to take extreme measures to prevent the disastrous decline of the ruble.

Limits restricting the deviation of the dollar exchange rate from the ruble to a maximum of 10 percent of the initial amount in a single trading session were imposed on MMVB trades on 1 January 1995. On 18 January the Central Bank reduced the forex authorizations of the banks by 30 percent and instituted stricter control over the observance of these limits and the procedures for using forex instruments.

MMVB Trading Volume and Dynamics of Dollar Exchange Rate in 1995 [all figures are approximate]

Months	Trading volume, millions of dollars	Exchange rate, rubles
January	2,800	3,900
February	1,900	4,200
March	2,600	4,800
April	3,200	4,900
May	3,300	4,800
June	3,900	4,700
July	1,500	4,600
August	1,700	4,400
September	1,000	4,500
October	650	4,600
November	800	4,600
December	750	4,700

The exchange rate of the dollar continued to rise, at a lower rate, until the beginning of May, after which it began an unprecedented decline, dropping to 4,405 rubles within a month and a half. What was the reason for this dramatic change? The main reason was the Central Bank's establishment of higher mandatory reserves for commercial banks in the middle of April. The new rule went into effect on 1 May. It set commercial bank reserves at 20 percent for deposits payable on demand and time deposits of up to 30 days, 14 percent for time deposits of 30-90 days, 10 percent for deposits of over 90 days, and 1.5 percent for funds in accounts in foreign currency.

This forced commercial banks to begin the extensive conversion of their foreign currency into rubles in order to make the necessary deposits. Besides this, the supply of foreign currency was also affected by the IMF stabilizing credit in the amount of 6.4 billion dollars, the first installment of which—more than a billion dollars—was extended to Russia in the beginning of May.

The extensive sales of foreign currency and the decline of the exchange rate created a situation in which the mass de-dollarization of the Russian economy was made possible for the first time. Under the conditions of the rising ruble exchange rate, the foreign currency accumulated by banks, enterprises, and the population began to produce a negative yield, which was compounded by the continued high rate of inflation—7 percent a month. Besides this, the Ministry of Finance and Central Bank took measures to enhance the appeal of the state securities market. Active operations continued in the market for interbank ruble credits. All of these factors had a dramatic effect on the demand for rubles and, consequently, the supply of foreign currency.

The rush to "get rid of foreign currency" during this period was so intense that the Central Bank had to intervene with extensive ruble operations to prevent the disastrous decline of the dollar. Experts estimate that the Central Bank augmented its own supply of foreign currency by at least 5 billion dollars during the stabilization period. The government and the Central Bank took several measures at the end of June to reduce the volume of foreign currency sold on the MMVB. On 19 June the principle of "delivery on payment" was instituted on the MMVB, signifying that the exchange would transfer rubles to the banks selling dollars only after the foreign currency had been deposited in the MMVB account. On 27 June the Central Bank rescinded the requirement for the mandatory sale of 50 percent of the foreign currency receipts of enterprises strictly on the currency exchange. These measures did much to reduce the appeal of MMVB trades, and this is when commercial banks moved most of their operations to the interbank market.

The stabilization of the foreign currency exchange rate in the country, however, was only achieved after the institution of the "currency corridor" on 5 July to limit the fluctuations in the dollar rate to 4,300-4,900 rubles, at first until 1 October 1995 and then until the end of the year. Later, on 30 November 1995 the "currency corridor" was extended to cover the first half of 1996, with a change in the maximum figures (4,550-5,150 rubles).

The institution of the "currency corridor" determined the subsequent policy of the Central Bank, which played a much more important role in the currency market in the second half of 1995. The dynamics of the dollar exchange rate were effectively decided by the Central Bank, which could easily control the situation on the MMVB and in the interbank market after its currency reserves had been augmented. Whereas many operators in the market questioned the possibility of staying within the set limits in the beginning of July, a month later the MMVB rate of the dollar was staying within those limits and displayed only a slight tendency toward a rise. In line with the limits of this "corridor," the dollar exchange rate on the MMVB did not fall below 4,400 rubles or rise above 4,700 rubles for six months last year. There was much less opportunity for speculative operations based on changes in the exchange rate. Besides this, the "corridor" shook the market for forward contracts and also ruined many of the biggest operators in this market. Several banks reported that they could not fulfill their commitments to supply currency on forward contracts because the rate stipulated in these contracts exceeded the actual rate by hundreds of rubles. This was the first sign of the impending bank crisis, but the total collapse of the forward market was averted through the efforts of the banking community.

By the end of summer the financial market began to experience an increasingly acute shortage of funds. Deposits in the Central Bank mandatory reserve fund and the issuance of more state bonds reduced the supply of rubles, and the mass sales of foreign currency in the end of spring and the first half of summer reduced the banks' supply of that kind of currency. Commercial banks tried to fill the void with numerous short-term ruble transactions in the interbank credit market. Speculative operations in this market increased, and the volume of one-day credits grew substantially when attracted funds exceeded distributions. This was followed by the first declarations of bank insolvency, which created problems for the banks' partners. All of this is what led to the bank crisis at the end of August.

The nonfulfillment of commitments by some banks increased the indebtedness of others and led to mass nonpayments. The rapid rise in interest rates on credit was accompanied by the banks' loss of confidence in one another, and this resulted in the termination of transactions in the interbank market. All operations ceased in the interbank market on 24 August: When the interest on one-day ruble interbank credits reached 1,000 percent per annum, 90 percent of the banks ceased their operations.

The government and the Central Bank had to take immediate measures to prevent the mass bankruptcy of the banks. On 25 August the Central Bank announced the extension of credits totaling 300 billion rubles to "reliable" banks for a term of seven days at the refinance rate, which was 180 percent per annum at that time, to alleviate the pressure of reciprocal nonpayments. Besides this, in the space of just two working days—24 and 25 August—the Central Bank bought state short-term bonds and federal loan bonds amounting to 1.6 trillion rubles from the banks on the secondary market, and this supplied the banks with the ready rubles they needed.

After the crisis, the effects of which are still being felt, commercial banks had to reassess their partners and set limits on reciprocal operations. The main Moscow operators began working with the "top" banks on trust and with other banks only on the basis of advance payment.

The first transactions between banks in the OTC currency market did not take place until a week later, and the initial quotations had a spread of 10-15 rubles. The market was divided into numerous groups, including the largest commercial banks, working only with one another and thereby pushing small and medium-sized banks into the background.

There was a strong possibility of the repetition of the crisis in the middle of November when the future of the "currency corridor" after the end of 1995 was being decided. Under the influence of various rumors, the commercial banks chose to hold on to their money, leading to a temporary shortage of rubles and the destabilization of the interbank market. Under these conditions, many of the biggest operators took a lesson from past events and stopped their active operations in the market in order to prevent a repetition of the crisis.

The MMVB and the commercial banks took several measures to revive the interbank currency market. To assure the completion of transactions, the banks in the forex division of the MMVB signed an agreement on mutual liability and set up an insurance fund. Besides this, many commercial banks began to require security deposits in their interbank transactions.

In spite of numerous problems, by the end of 1995 the interbank currency market had gradually resumed its work, and some of the biggest operators had already risen to the pre-crisis level of operations.

What will happen in the currency market in 1996? We can say with some certainty that Central Bank policy will continue to focus on the stabilization of the exchange rate in the country now that the "currency corridor" has been extended until the middle of the year. The Central Bank's foreign currency reserves, which were augmented substantially in the past year, will allow it to exercise strict control over the dynamics of the dollar exchange rate in the country.

Russia/China: Chinese Illegal Migration, Smuggling Aired

964F0779A Moscow IZVESTIYA in Russian 4 Jan 96 p 5

[Article by IZVESTIYA correspondent Natalya Ostrovskaya: "Boss Lao Da and His Team"]

[FBIS Translated Text]

Not Exactly Next Door

Vladivostok—For several days before New Year in Maritime Kray, the latest stage was launched of Operation Foreigner (although it has long since been time for this name to be changed to the more appropriate Operation Chinese). The kray police and the Pacific border district reasoned, entirely justly, that thousands of illegals from the PRC who have lived for months and years in Maritime Kray would want during the holidays to warm themselves at their native family hearths, and would undertake all possible steps toward this end. In connection with this, the document "Plan on Measures Regarding the Concentrated Use of Force and Weaponry Within the Framework of Operation Foreigner" was worked out. Whoever has had the occasion to read it must certainly have thought that on the territory of Maritime Kray, war had been declared either on opponents who were armed to the teeth or on a frightful epidemic. I quote:

"In connection with the upcoming holidays....attempts at group breaches by transgressors into China are most probable in the sector of the Grodekovskiy border detachment. For tactics, their actions will be characteristic: preliminary preparation; arrival in population points close to the border; operating without luggage, in a group (two or three persons); the use of accomplices from among citizens of Russia for delivery by automobile to places of breaching the border of basic engineering and technical devises; striving in one rush to negotiate the distance up to the border line; putting up resistance upon arrest, including with the use of cold steel and homemade firearms."

These tasks arose: to establish the possible channels of illegal crossing and smuggling activity on the border by groups both of Chinese and of Russian citizens, and also to bring to light, to screen, and to deport to the PRC as many illegals as possible. For these purposes, additional permanent posts are being created, as well as temporary screening stations. The personnel of the border posts, special purpose militia detachment subdivisions, and a special Internal Affairs Administration company are being brought in.... Such was the pre-holiday fuss.

The very first days of the kray-wide roundup brought reports of the first Chinese to be caught. Perhaps among them turned out to be the hero of these notes—Citizen Li De Quan? The nets were set, and how! But then, this in every respect remarkable personage is himself an excellent "fisher of men" (of those same men for whom this latest massed assault was undertaken), and even if he is caught, as the reader will see, it will be only for a time.

Where the Boss Is, There Is Victory

The reference "On Work Performed at the City of Ussuriysk Main Internal Affairs Administration by the Staff of the Foreign Subdivision of the Maritime Kray Internal Affairs Administration" reads in part:

"Citizen of the PRC Li De Quan, nicknamed Lao Da (Boss), has another name—Liang Quan Nian, born 18 January 1963, a native of Heilongjiang Province. He has been convicted in the PRC for robbery with assault and has dealings with China's organized crime. The leader of a grouping of 15 citizens of the PRC, who engage in robbery and assault on Chinese in Maritime Kray. The name of the group is the Wolves. The grouping is subdivided into four mobile criminal groups. They are composed mainly of natives of Jilin and Heilongjiang.

"Most of the group's members were purposefully selected in the PRC and traveled to Maritime Kray with aims that were known ahead of time, that is, robbery and pillaging with respect to citizens of the PRC. Communication with the Boss was maintained through one proxy in each group. The Boss himself carried out communications with the 'center' in China through another proxy, who received orders and instructions over the telephone from the 'center.' Only the Boss knows that individual.

"Communication between group chiefs and the Boss was carried out in the following way: At a previously specified time, the group chief was supposed to call the Boss over the course of two or three hours. If the Boss did not come to the phone, that was the alarm signal, and the groups were supposed to change their location, and the Boss would find them later himself. The money they got as a result of robberies was divided in the following way: A lesser portion was divided among the members of the group, and the larger portion was sent to the 'center' by two channels. The first in the form of cash, and the second in the form of goods needed by the 'center.' Cases of contacts between the Boss' grouping and Maritime Kray's organized crime have not been observed. At the present moment, the Boss has admitted to the commission of robbery and assault against citizens of the PRC in the city of Vladivostok, at 11 Yeniseyskaya Street, apartment 80."

We will return again to this case, but for the time being we will note that, judging by the operatives' stories, this man fully fit the role of a Chinese terminator.

He rented a room in an apartment with some pensioners on the outskirts of Ussuriysk. An ordinary matter for thousands of his compatriots who had settled both in Maritime Kray and beyond its boundaries. The police had information on his "business." But what of that? The grounds for the arrest of Li De Quan (if, of course, that is his real name) was to be the passport of a Chinese businessman, the very one who suffered a robbery in Vladivostok, in the apartment on Yeniseyskaya Street. In it, in the place of the photograph of its owner, Li De Quan had pasted in his own photograph.

The arrest went peacefully; the lodger put up no resistance. The police at that time had no idea what that 32-year-old fellow was capable of, who was master of several kinds of Eastern martial arts and who in his leisure hours smoked opium and marijuana.

Workers at the Ussuriysk reception and distribution center will probably not soon forget the day when Lao Da, by decision of the investigation, quit these walls: He was being sent to a special investigative detention center in Vladivostok. Hardly had the escort opened the cell when the arrested man threw himself at him, in handcuffs and all. They called for help, but it was impossible to approach Lao Da. They sprayed with tear gas—it did not help. Finally, they seized the moment and jumped him....

On that same day, now in Vladivostok, the fabulous box-office hit was continued. In the guard room of the rayon police department, Lao Da made an escape attempt, after which he was incarcerated in one of the general cells of the overcrowded Vladivostok special investigative detention center. Now his cellmates got it. When the Russian arrestees, who were unaccustomed to the Chinese manner of interaction, called for the guards, they had already been masterfully beaten up. Expressing himself in his new collective, Lao Da caused the prison appreciable material damage—he completely broke up the plank beds.

Further events demonstrated that he had been upset for nothing. The police force, in the person of the Sovetskiy Rayon Internal Affairs Department of the City of Vladivostok, brought a criminal case against Li De Quan, suspected of robbery with assault on Yeniseyskaya. However, it could not prove its suspicions, since the man under investigation one fine day repudiated his initial confessions and announced that he had not been involved in the robbery of his compatriot, the businessman. They held a confrontation with a young woman interpreter who had been in the apartment at the moment of the crime. She declared that Lao Da was one of the robbers. In all, according to her testimony, there had been three, and the two aside from Lao Da had worked in masks.

They were not able to question the victim himself. Immediately after the robbery, the businessman had hastened off to China. The search for him through the Chinese consulate in Khabarovsk led to naught: In the message on the whereabouts of the victim, the personnel of the Chinese diplomatic service for some reason requested a meeting with the Boss.

The robbery and assault case was suspended for lack of evidence. The episode of the faked passport, which, as the man under investigation explained, he had bought from a person not known to him, was singled out to be conducted separately. Month after month passed. Lao Da sat as before in the special investigative detention center and, judging from everything, was no longer worrying about anything.

In October, without having paid the Russian state, which had forgiven him all, a ruble's worth of fines for the false passport, and without having received his deserts for his resistance to the police, for his escape attempt, or for the violence done to his cellmates, he was deported to his historic homeland. Our humanitarian Themis reckoned as punishment only the time that he had spent in the special investigative detention center.

Capitulation Without a Fight?

According to information of the kray Internal Affairs Administration, the first intelligence on Chinese organized crime on the territory of the Maritime region appeared a year ago. This alarming fact was marked by a series of similar events, the best- known of which was to be an armed robbery in an Ussuriysk apartment. Chinese shuttlers lived here. The police knew about the attack being prepared. An ambush was set up. The informants had not let the police down—on one of the days that they were expected, the robbers appeared. Just like the people from Lao Da's grouping, they worked in masks, and they were armed with gas pistols, altered to take grape-shot. Under fire from these pistols, "international conflict" flared up, as a result of which one of the uninvited guests was wounded in both legs; a second, leaping from a fourth-floor balcony, got off with broken bones; and the third fled.

Whether this episode had anything to do with the activity of Lao Da's gang was not ascertained. According to police information, today several criminal Chinese groupings, formed according to the territorial principle, are active in the Maritime region. They consist principally of natives of two extremely poor northern Chinese provinces—Jilin and Heilongjiang. In Vladivostok, the Vantsinskaya (the city of Vantsin) and the Yanbenskaya (the city of Yanben) groupings are well known. Others take a more creative approach to business, and, like Li De Quan, give their gangs romantic names. For example, Snake Head or Angry Dog. One cannot speak of permanent spheres of influence of these formations, since they are mobile—here today and there tomorrow. In addition, detectives note, in the Maritime region, not one, but several "bosses" rule. From time to time they change their location. Sometimes they quarrel, and just like our bosses, they put on bloody showdowns and sustain casualties of war.

According to the police, the Chinese population fear their own outlaws much more than they do the Russian ones. The latter rob, and that is all. Their own do the same thing—but with relish—they torture, persecute, take revenge.

Their aggressiveness and sense of impunity spring up in well- fertilized soil. The "clients" of the "bosses" and their gangs are, as a rule, Chinese, who never report an attack to the police. Either their visa has run out or there have been other violations. The fact that there has been no shortage of them is bespoken by the police statistics. The number of the solved crimes alone that were committed in Maritime Kray by foreigners in 1995 is about 1,100. Some 80 percent of these are accounted for by citizens of the PRC. The number of administrative violations simply defies any calculation.

No one today—not the police force, with its passport and visa service, not the security agencies, still less the local authorities—knows how many citizens of our great neighbor country are living, for example, in the most "Chinese" Maritime city of Ussuriysk. One can only guess. The chief of the city's passport and visa service, Nikolay Sidorkin, knows for sure that in the departing year, 7,156 Chinese citizens entered Ussuriysk with tourist groups. Half as many generally leave. Illegals who have quietly "settled out in the sediment" rent apartments, and if they are not able to do that, they live in depots, in sheds, under the stands at a stadium. From year to year, the shadow population of Ussuriysk and of all the Maritime region grows. Which means that the hunting grounds of the Wolves and the Angry Dogs are growing too, as well as the army of those who can without difficulty be seduced with easy money—summoned under their banners.

To the philosophical question as to why all this is happening, there is, Nikolay Sidorkin believes, a clear and extremely concrete answer. Operation Foreigner is no more than a brouhaha. As long as the heads of the so-called tourism firms of the Maritime region, taking in envoys of the Celestial Empire and "not noticing" their depleted ranks upon their return to their homeland, accounts will not be completely settled for this. What is a 30,000-ruble fine? That would be impossible to discern even under a microscope against the backdrop of the many millions in profits from the more than strange, but to this day not prosecuted—neither administratively, nor still less, criminally—business. The pre-New Year massed kray- wide action with which we began these notes will certainly, as before, not involve a single tourism firm, although their names are known to everyone.

The pre-New Year days added one completely new stroke to the accustomed picture. The economic crimes department of the kray Internal Affairs Administration informed the Russian Federation Central Bank administration for Maritime Kray that for the first time counterfeit Chinese yuan had been discovered and confiscated. A citizen of the PRC, Pkhiao Dzhin Ol, had according to one initial version attempted to trade with them. He was detained in that same Ussuriysk—at the base point of Li De Quan's Wolves.

The Security Administration's Trading Company

It cannot be said that the local Maritime region authorities have not undertaken what attempts they could to influence the phenomena of the past five or six years, which cannot be called anything but an invasion. Thus, in 1993, an agreement was concluded according to which the public security administration of Heilongjiang Province is called upon to commence the cooperation of law enforcement agencies of the contiguous territories on implementation of a triune task: "expose, screen, and deport."

Our neighbors approached the matter seriously, creating in the channel of the agreement a network....of trading companies. Their representations flew back and forth among the cities and villages of the Maritime region—and the work began.

According to documents now at the disposal of the Maritime Kray administration of the Federal Security Service, one such company, Peng Da, was created under the public security administration of the city of Suifenhe and settled a year ago in the settlement of Pogranichniy, where it is still quartered today. Why it is here is bespoken, for example, by an advertisement written by its staff and put up in that same Pogranichniy, in Ussuriysk, and in other population points popular among the Chinese in the Maritime region: "Good news! The Peng Da company renders assistance to the police of the settlement of Pogranichniy in the rapid dispatch of Chinese citizens whose passports have lapsed or been lost to their homeland. Apply to the representative at this address...." It would be strange to think that anyone did apply.

It also seemed strange to the Maritime region security agencies that the police of the contiguous country were operating, fully armed, on the territory of the kray. That police force has its own motor transport and mobile telephone communications; it conducts investigative work and searches apartments rented by Chinese citizens without a procurator's warrant or official search witnesses, and applies to those detained far from only ethical methods of influence....

Even more strange is the fact that the staff of this "trade and law-enforcement" company (we remind the reader that they are representatives of the public security administration of the city of Suifenhe) have on more than one occasion been detained by the Maritime Kray police for passport and visa violations. Just like those whom they officially resolved to "expose, screen, and deport." The similarity does not end there. The Maritime Kray Federal Security Service administration notes:

"In connection with the company's lack of a license from the Russian authorities to carry out commercial activity, its staff are committing customs and currency circulation violations. Illegal activity of the company has been noticed in the buying up and smuggling out to the PRC of commodities prohibited by Russian law, for instance, of trepang sea cucumbers. Thus, on 31 July 1995, the internal affairs agencies held up a 1.2-tonne shipment of trepang, the right to which was claimed by the Peng Da company, which in the process undertook persistent attempts to liberate the confiscated commodity. Such activity on the part of the company would have been impossible if in this it had not been rendered the appropriate support by certain leaders of the public security administration of the city of Suifenhe, for example, deputy head Xing Yamin."

Evidently, following the spirit and the letter of the above- mentioned bilateral agreement, the company is sometimes rendered support by the Maritime Kray police as well. Deputy chief of the Internal Affairs Administration Colonel Yakov Shevchenko, appealing to the chief of the Visas and Registration Department, requested permission to reside on the territory of Russia for citizens of China who had arrived on travel vouchers, including the names of the director, deputy director, and translator of the strange company. This is the very time to say that the right hand of the police force does not know what the left hand is doing, since at the same time that the kray leadership is concerned with solving the problems of several Chinese citizens, its subordinates locally are catching and fining these same citizens for lacking passports as such, for buying up contraband dry trepang, and for other sins.

Incidentally, in the "Plan for the Concentrated Measures...." the participation of "trade and law enforcement" companies of Heilongjiang Province, strangely enough, is in no wise stipulated.

....If anyone thought that thanks to the vigilance of the Maritime Kray special services, the activity of the dubious company would be cut off, that person, of course, was mistaken. Peng Da is alive and well, as before. And what about our acquaintance Lao Da? Here, on the contrary, nothing is clear. The police believe that the fact of his recent deportation means nothing. It is possible that he is not now among the living. But it is more probable still that he is once again "at work" in the Maritime region.

Political Issues

Appeals to Yeltsin To Run for Second Term

96P50039A Moscow ROSSIYSKAYA GAZETA in Russian 23 Jan 96 p 1

[Article by Andrey Shcherbakov under the "Letters to the President" rubric: "We Got Onto the Main Road. We Do Not Want To Change the Road"]

[FBIS Translated Text] In letters these days the request for Boris Yeltsin to come forward as a candidate for a second term is being expressed more and more often.

Such letters regularly arrive in the Kremlin. We acquainted our readers with some of them (RG, 19 Jan 96). What is important to note is that in the appeals to Boris Yeltsin there is not a 100 percent "approval" of the economic and social policies of the country's leadership. Just the opposite; the writers express critical opinions, at times quite sharply, and put forward specific proposals for correcting the course of reform. But at the same time, positive shifts in the economy are noted, which sufficently convincingly explain why many people want to see Boris Yeltsin as president of Russia for a second term.

"Your support for Zelenograd's electronics industry in 1995 allowed the enterprises of the Zelenograd financial-industrial corporation to increase, for the first time in the last five years, the volume of production as a whole 1.3 times in comparison with 1994 in comparable prices. The output of integrated systems grew 2.5 times during this same period," the leadership of the production concern "Scientific Center" reports to the president. And they add: "Our appeal to you expresses our certainty that at this critical moment which Russia is going through only you can guarantee the preservation of a great Russia and the processes of transformation."

In the name of the 1.5 million army of power workers, Anatoliy Dyakov, president of the Russian joint stock association [AO] "YeS Rossii" [Unified Power System of Russia], turned to Boris Nikolayevich with a convincing request not to give up the reins of government during such a difficult period for the Fatherland.

The Union of Gas Industry Workers supports the power workers, whose appeal emphasizes that "the next three-four years will be truly key in determining the future of Russia and her peoples. In this responsible historical moment, the country, as never before, needs political will and guarantees of the irreversibility of the ongoing transformations. We request, Boris Nikolayevich, that you agree to run for a new presidential term. Our union recognizes the heavy burden of the presidency and promises you whatever support is within our power both in your current and future activities in this post."

Yes, to be president in present-day Russia is a difficult burden involving a huge physical and moral load. Boris Yeltsin and the voters understand this. Every day assemblies of labor collectives are held in support of Boris Nikolayevich's candidacy. In Moscow alone, according to the captial government's department of industry, they were held at more than 30 enterprises. Among these are the Moscow Ballbearing AO, Mosshveya, the Lianovskiy Dairy Combine, the Kauchuk [rubber] AO and the Zvezdnyy bakery-candy combine. Once again you are convinced: People are tired of plitical confusion. They want stability and order, continuity in the course of reform, and strengthened social protection for honest workers.

Russia: Newly Elected Duma Members Assess Tasks

964F0773A Nalchik KABARDINO-BALKARSKAYA PRAVDA in Russian 5 Jan 96 p 1

[Interviews with Vladimir Kazbulatovich Sokhov, State Duma deputy, and Mukharbi Magomedovich Ulbashev, cochairman of the Committee on Interethnic Relations of the Parliament of the Kabardino-Balkar Republic, by M. Kyasova; places and dates not given; published under the rubric "Timely Interview"]

[FBIS Translated Text]

The Reforms Should Not Harm the People

Vladimir Kazbulatovich Sokhov began the new year of 1996 as a deputy of the State Duma. We sincerely congratulate him on his election to the highest state body of the country and wish him fruitful activity in this endeavor!

On the eve of his departure for Moscow, our correspondent met with Vladimir Kazbulatovich and asked him to share his plans for the future. Here is what he said:

[Sokhov] The results of the past election campaign showed the alignment of forces in our country. And, frankly, I am glad that three deputies from Kabardino-Balkaria were elected to the State Duma. I have had occasion to work with Mukharbi Magometovich Ulbashev in the KBR [Kabardino-Balkar Republic] Parliament. Regarding all issues he has shown a high-level of erudition and professionalism. Vladimir Khasanbiyevich Temirzhanov has proved to be a wonderful expert on the economy of our republic and the prospects for its further development. I became convinced of this when I participated with him in the development of various production programs.

I am aware of the responsibility I will have to bear. I will not discuss in detail the main aspects of my activity as a deputy of the State Duma. I discussed that in enough detail during my election campaign. I will note only that I have not promised anything supernatural, nor can I.

I see as my goal to strengthen the economy of Kabardino-Balkaria. Some positive aspects have been noted here. The decline has come to a halt and there has even been an increase in industrial production as compared to 1994. This means that the reforms are producing results. People's psychology is changing and new forms of management are being successfully assimilated.

But, of course, we are far from the ideal. But the fact that we have already noted a stabilization in the branch is gratifying. It enables us to hope that the forthcoming year can be a real step on the path to the growth of the production of the industrial product.

There are serious omissions in capital construction. The startup of facilities of the social and cultural sphere is being put off. And here we need radical measures to rectify the situation. I consider it my direct duty to adopt and implement them.

I cannot but notice the state of affairs in our republic's agro- industrial complex. This vitally important branch is in need of the greatest support from the state. After all, it is not fair that rural residents have to purchase means of production at three times their normal price, and one might say they get peanuts for their products!

This is a clear distortion in the economic reforms. There is no doubt that they are necessary, that they must be conducted. I know that the current disorder was caused by the difficulties of growth. And, of course, in time they will be eliminated.

I am greatly alarmed, and I have emphasized this repeatedly in meetings with voters, by the growth of unemployment and the number of poor and needy people. The transformations were begun in order to give people an easier life and create conditions for their fruitful labor and recreation. But so far they are not doing them any good.

The economic reforms should not harm but should benefit the people. I will achieve this as a deputy of the State Duma.

I Will Defend the Interests of the Republic

Mukharbi Magomedovich Ulbashev, 35 years old, Balkar, cochairman of the Committee on Interethnic Relations of the Parliament of the KBR, ran on the federal list of the public political movement Russia Is Our Home. Today we are speaking with M.M. Ulbashev.

[Kyasova] How do you assess the results of the elections?

[Ulbashev] The elections proceeded on a constitutional democratic basis, which inspires certain hopes that the country's future development will proceed under conditions of respect for the law and the course toward democratic renewal of society will continue. The essence of our position consists in mandatory reinforcement of market reforms with adequate social guarantees. No policy can be deemed acceptable if it is conducted at the cost of deterioration of the standard of living, impoverishment of the majority of the population, and, which is of considerable importance, without taking into account the peculiarities of various regions. The situation is not the same everywhere, nor are the attitudes of the people, and this was clearly shown by the elections that just took place, and therefore it is necessary to provide for a differentiated approach to solving regional problems and the problems of the territories. I was elected from Kabardino-Balkaria and I intend mainly to defend its interests.

Before departing for Moscow, I will complete the work assigned to me for adopting the symbols of the KBR. As you know, we have a flag, a seal, music, and a hymn, but so far we have not settled on a text for them. In a couple of days we plan to have a meeting of the commission on the symbols where we will consider these questions, along with others. Returning to the subject of the elections, I would like to express my sincere gratitude to all those who cast their vote for our movement, for candidates from the NDR [Russia Is Our Home] or the KBR, and I want to emphasize once again that we will do everything we can to justify the confidence placed in us.

[Kyasova] You were invited to the first meeting of the deputy faction Russia Is Our Home. How did it go?

[Ulbashev] I participated in the conference along with Vladimir Kazbulatovich Sokhov. It was led by Chairman of the Government of the Russian Federation V.S. Chernomyrdin. We had an open, informal discussion of the faction's place in the newly elected Duma and we outlined general approaches to solving urgent problems. The faction is inclined toward constructive cooperation with all political forces, and this circumstance, in the view of the members of the faction, is seminal. Within the framework of the designated topic— "The Sixth State Duma—A New Stage in the Development of Parliamentarianism in Russia"—we considered other important socioeconomic problems as well.

[Kyasova] How did you learn that you were elected?

[Ulbashev] From the mouth of Viktor Stepanovich Chernomyrdin. He called out my name and congratulated me just like all the other participants in the conference.

[Kyasova] Did you receive congratulations from our president?

[Ulbashev] We had a detailed discussion of problems of the work of State Duma deputies from the KBR in the highest legislative body of the country from the standpoint of practical implementation of tasks facing the republic. [end Ulbashev]

P.S. The collective of our newspaper's editorial staff sincerely congratulates Mukharbi Ulbashev on the high confidence placed in him by his election to the State Duma of the Russian Federation.

Russia: Fate of Economic Growth if Communists Win

964F0831A Moscow MOSKOVSKIYE NOVOSTI in Russian 1-14 Jan 96 No 1, p 21

[Article by Nikita Kirichenko, Aleksandr Privalov, Andrey Shmarov, Dmitriy Grishankov, Tatyana Gurova, and Valeriy Fadeyev of the journal EKSPERT specially for MOSKOVSKIYE NOVOSTI: "The Economy and the Communists: What Might Happen to the Economy Were the Communists To Win in June 1996?"]

[FBIS Translated Text]

Risk Limit

To the now-habitual set of risks accompanying economic activity in Russia has been added one more which patently exceeds all those known earlier: that of presidential elections. The CPRF [Communist Party of the Russian Federation] will certainly be a candidate for the presidency. Under the conditions of the present constitution and, in addition, with the relatively left-wing Duma we elected on 17 December, a communist president would have practically unlimited opportunities for pursuing his own policy, economic included.

It would be useful to try to imagine, therefore, what specifically the Communists would do, were they to come to power, in the main spheres of the economy: property, finances, and taxes, and how their actions might affect the economy and business.

Our analysis showed that all these actions amount in one way or another to the idea of a reorientation of financial flows in the economy. From a sectoral angle, the reorientation of finances would be directed toward the depressed sectors; from the angle of production factors, away from capital toward labor.

In order to effect this reorientation the Communists would make a number of interconnected changes in property relations, in the fiscal and banking system, in the regulation of foreign economic activity, in the system of government contracts, and in price regulation. The restoration in a more or less modernized form of an increasingly large number of fragments of the former system of management of the Soviet economy and the loss of opportunities for the acquisition by Russia's economic system of competitiveness, a fatal loss, possibly, would be inevitable here.

This, roughly, is the kind of economy the Communists would build were they to be successful at the presidential elections. Whether this constitutes grounds for panic is a matter of taste. The simple comforting thought that we lived, after all, our whole life under Soviet power and that we are still alive will, most likely, occur to many people. This thought does not appear convincing to us. Soviet power "rotted away," as Bezenchuk used to say, because its economic policy led to a hopeless dead end. Venturing upon such a policy while not only not having scrambled out of this dead end but having acquired, in addition, industrial production that has fallen more than twofold would be imprudent, to say the least. And it would be naive to hope in this case for a dull life if only in the Brezhnev- Gorbachev manner.

Nationalization

Inasmuch as the inseparable connection of communist theory and practice with public ownership of the means of production remains generally recognized, then, whatever the present Communists may say or write about a multistructured economy, the question of what the Communists will do with privatization is clearly of interest to all.

As we have learned, CPRF lawyers are working up a version of a revision of the results of voucher privatization based on an attempt to prove procedural violations in the adoption of the corresponding Presidential Edict No. 914 and on this edict being limited in time to 1 December 1992.

The information at our disposal makes it possible to anticipate the possibility of, to put it mildly, a substantial correction of today's situation concerning privatized property on the basis of judicial decisions.

The consequences of mass deprivatization for the economic life of Russia are so obvious and so dire that we shall permit ourselves not to describe them. We shall point out merely that this action would affect all in any way active economic forces of the country without exception, forcing them to readjust not only the balance of interests but also, in an enormous number of cases, elementary economic relations also. There is no need to spell out how this would be reflected in an economy which is only just on the verge of emerging from systemic crisis.

Banking Sector—Under State Control

But it should be remembered that the Communists would need deprivatization not as an end but as a means. The end being the reorientation of financial flows in the economy.

Naturally, the key issue when tackling objectives concerning the nationalization of financial flows and large-scale property is the question of the banks (bridges and telegraph offices were excluded from the state program of privatization as it was). Perfectly velvet-gloved measures are possible here.

It should not be forgotten, first of all, that the country's biggest banks like the Sberbank of the Russian Federation, the Foreign Trade Economic Bank, the Foreign Trade Bank of the Russian Federation, the Promstroybank, and all the Soviet overseas banks are still partially state-owned and controlled at management level. The above banks have enormous blocks of shares in many other banks and finance and insurance companies. Procedures of temporary outside management on the part of the Central Bank, which, as practice shows, will hardly have become obsolete by the time of the presidential elections, today extend to dozens of banks (including such major ones as the AvtoVAZbank) which have suffered in the succession of crises.

State control in the banking sphere may be tightened even more thanks to a strengthening of the banks mentioned above. The state oil and gas companies, say, could on perfectly legal grounds (by a decision of the director of the state company) be transferred there for service transactions (unless, we would note, they already control these banks as shareholders and founders). Funds for payment for the government contract and strategic imports, budgetary funds, and state credit would pass through these banks also. Thus the main monetary flow (foreign currency and ruble) would be de facto and de jure nationalized and placed wholly at the service of the idea of the redistribution of wealth in society.

It is clear also how the "refractory" would be treated—they would be weakened. Many banks have today, particularly under the conditions of the liquidity crisis, found themselves on quite a short state leash. Technically, it is not difficult, incidentally, to take away a bank's foreign currency license. Were this to be done in mass fashion, we could have a situation where the Moscow Interbank Currency Exchange would in practice be working in a restricted-auction mode (as the VVB auction operated six years ago), which would signify the completion of the victorious offensive against the money market, as a result of which a real opportunity for the de facto revival of the system of subsidized exchange rates for the depressed sectors of the economy could emerge.

The full-scale realization of this scenario would as yet run up against the management and staff of the Central Bank, but, as entirely recent practice shows, there would in practice be no problem of a new appointment given the like-mindedness of the Duma and the executive.

Failure of the Stock Market

The instantaneous—and absolutely normal—response to the coming nationalization would be an exodus of investors, portfolio investors, what is more. There need be no doubt of this for one minute—both abundant world history and our history, which, although short, has already been packed with like events, testify to the market's explosive reaction to events of far less significance than the arrival in power of the Communists with the idea of nationalization.

The first response of the market, therefore, would be a drop in quotations below all conceivable limits, which would not hit zero merely because they would be overtaken by a total loss of liquidity.

It is highly likely that the "zero-ization" of the market would signify a new banking crisis—the banks would lose a tangible part of their assets in the form of corporate securities. It is estimated that the banks hold an average of approximately 5 percent of these assets in stocks. And for many banks that are "on the brink," the loss of the former would prove extremely painful, for the 20 percent reserve against depreciation would not compensate for the loss.

Not to mention such trifling matters as the loss of the market infrastructure which it has taken years to create and the bankruptcy of the former check investment funds, among which there are, for all that, perfectly stable companies also, independent retirement funds, and insurance companies. And, naturally, an outburst of the criminal showdowns that always accompany settlement problems.

Tax System

First of all, obviously, the Communists will need money, and for this reason they would perceive the tax system exclusively on a fiscal level—without any opportunistic way active economic forces of the country without exception, forcing them to readjust not only the balance of interests but also, in an enormous number of cases, elementary economic relations also. There is no need to spell out how this would be reflected in an economy which is only just on the verge of emerging from systemic crisis.

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The first response of the market, therefore, would be a drop in quotations below all conceivable limits, which would not hit zero merely because they would be overtaken by a total loss of liquidity.

It is highly likely that the "zero-ization" of the market would signify a new banking crisis—the banks would lose a tangible part of their assets in the form of corporate securities. It is estimated that the banks hold an average of approximately 5 percent of these assets in stocks. And for many banks that are "on the brink," the loss of the former would prove extremely painful, for the 20 percent reserve against depreciation would not compensate for the loss.

Not to mention such trifling matters as the loss of the market infrastructure which it has taken years to create and the bankruptcy of the former check investment funds, among which there are, for all that, perfectly stable companies also, independent retirement funds, and insurance companies. And, naturally, an outburst of the criminal showdowns that always accompany settlement problems.

Tax System

First of all, obviously, the Communists will need money, and for this reason they would perceive the tax system exclusively on a fiscal level—without any opportunistic

[Kyasova] How did you learn that you were elected?

[Ulbashev] From the mouth of Viktor Stepanovich Chernomyrdin. He called out my name and congratulated me just like all the other participants in the conference.

[Kyasova] Did you receive congratulations from our president?

[Ulbashev] We had a detailed discussion of problems of the work of State Duma deputies from the KBR in the highest legislative body of the country from the standpoint of practical implementation of tasks facing the republic. [end Ulbashev]

P.S. The collective of our newspaper's editorial staff sincerely congratulates Mukharbi Ulbashev on the high confidence placed in him by his election to the State Duma of the Russian Federation.

Russia: Fate of Economic Growth if Communists Win

964F0831A Moscow MOSKOVSKIYE NOVOSTI in Russian 1-14 Jan 96 No 1, p 21

[Article by Nikita Kirichenko, Aleksandr Privalov, Andrey Shmarov, Dmitriy Grishankov, Tatyana Gurova, and Valeriy Fadeyev of the journal EKSPERT specially for MOSKOVSKIYE NOVOSTI: "The Economy and the Communists: What Might Happen to the Economy Were the Communists To Win in June 1996?"]

[FBIS Translated Text]

Risk Limit

To the now-habitual set of risks accompanying economic activity in Russia has been added one more which patently exceeds all those known earlier: that of presidential elections. The CPRF [Communist Party of the Russian Federation] will certainly be a candidate for the presidency. Under the conditions of the present constitution and, in addition, with the relatively left-wing Duma we elected on 17 December, a communist president would have practically unlimited opportunities for pursuing his own policy, economic included.

It would be useful to try to imagine, therefore, what specifically the Communists would do, were they to come to power, in the main spheres of the economy: property, finances, and taxes, and how their actions might affect the economy and business.

Our analysis showed that all these actions amount in one way or another to the idea of a reorientation of financial flows in the economy. From a sectoral angle, the reorientation of finances would be directed toward the depressed sectors; from the angle of production factors, away from capital toward labor.

In order to effect this reorientation the Communists would make a number of interconnected changes in property relations, in the fiscal and banking system, in the regulation of foreign economic activity, in the system of government contracts, and in price regulation. The restoration in a more or less modernized form of an increasingly large number of fragments of the former system of management of the Soviet economy and the loss of opportunities for the acquisition by Russia's economic system of competitiveness, a fatal loss, possibly, would be inevitable here.

This, roughly, is the kind of economy the Communists would build were they to be successful at the presidential elections. Whether this constitutes grounds for panic is a matter of taste. The simple comforting thought that we lived, after all, our whole life under Soviet power and that we are still alive will, most likely, occur to many people. This thought does not appear convincing to us. Soviet power "rotted away," as Bezenchuk used to say, because its economic policy led to a hopeless dead end. Venturing upon such a policy while not only not having scrambled out of this dead end but having acquired, in addition, industrial production that has fallen more than twofold would be imprudent, to say the least. And it would be naive to hope in this case for a dull life if only in the Brezhnev- Gorbachev manner.

Nationalization

Inasmuch as the inseparable connection of communist theory and practice with public ownership of the means of production remains generally recognized, then, whatever the present Communists may say or write about a multistructured economy, the question of what the Communists will do with privatization is clearly of interest to all.

As we have learned, CPRF lawyers are working up a version of a revision of the results of voucher privatization based on an attempt to prove procedural violations in the adoption of the corresponding Presidential Edict No. 914 and on this edict being limited in time to 1 December 1992.

The information at our disposal makes it possible to anticipate the possibility of, to put it mildly, a substantial correction of today's situation concerning privatized property on the basis of judicial decisions.

The consequences of mass deprivatization for the economic life of Russia are so obvious and so dire that we shall permit ourselves not to describe them. We shall point out merely that this action would affect all in any considerations concerning its regulatory function. As we know, transactional taxes (VAT and excise) serve the fiscal purpose best.

In addition, an increase in the export duty on oil and gas and its imposition on other exported raw material commodities also would be highly likely.

All the talk and promises—both those heard currently and of the forthcoming variety—about a more just, socially oriented tax policy are nothing more than propaganda. The Communists, like it or not, would be forced to limit consumption in favor of accumulation, and there could be no question, therefore, of any reduction in taxes on labor (personal income, payroll, and such, that is). On the contrary. Both the imposition of a tougher progressive scale of the taxation of the high income of individuals and the restoration of the wage norms for enterprises abolished by the Duma as of 1996 should be expected.

But even such liberal things as the exclusion from taxable income of resources channeled into capital investments would not wash with the Communists. The progressive taxation of the trade margin is highly likely also.

What Might Be Lost Here?

The victory of the Communists at the presidential elections or even simply a significant leftward turn of economic policy would interrupt the delicate process of formation of the new economic paradigm.

There are deeply rooted notions exaggerating the government's possibilities in control of the economy. What is understood by control on the part of the state here, of course, are attempts to improve the state of the system in accordance with some judiciously chosen criterion. But "control" that devastates this system may be exercised perfectly effectively. We will be able to observe such "control" in just five months, possibly.

Exactly a year ago we set forth our idea of how the economy of industrially developed countries develops. The full cycle of economic development fits within the framework of the long wave lasting 30-40 years. Each long wave is broken down into three phases: development proper, growth (in the systemic sense inasmuch as an increase in gross domestic product may be observed in all phases), and stagnation.

Phase three—stagnation—begins when the innovation potential gathered in phase one dries up. For us it is important that at the end of this phase a search for new directions of the development of the economy begin and that the key decisions be adopted—the future upturn is maturing.

Upturn is born not in offices of government bureaucrats but in the "minds" of the most active entrepreneurs. The actual logic of the interaction of business and the state is the opposite of the customary logic: It is the strategic plans of the entrepreneurs that impart sense to the government's economic policy.

The events of the past year show that the chances of the steady and independent development of the Russian economy are growing. And it is not a question the policy of the government, which lacks, as before, a long-term economic program that has been worked up in detail. Capital has for the first time made its presence felt as a key factor of the country's economy.

A year or two more, and it might be possible to talk about a transition to the development phase. But only in a year or two inasmuch as a most important prerequisite of the economy's transition to the next phase is missing at this time—the current aggregate structure of the markets is not capitalist. Without going into details here, we would note that only with the existence of big capital ensuring the stability of the markets it controls is investment credit—the engine of growth in the economic system— possible. These stable markets present strong demand, giving life to a tremendous mass of small-scale enterprises included.

Under our conditions, when capital is only just beginning to take shape, even the authorities' left turn in a social democratic framework could prove disastrous. The Russian economy today needs such extensive modernization that only the large-scale accumulation of real capital can ensure its long-term development. The contemplated left turn of the authorities would inevitably strengthen the "social focus" of policy. The socialist and, even more, communist paradigm consists of the aspiration, to speak in the language of production factors, to transfer to labor part of the resources of capital, which inevitably weakens the latter.

(This article was prepared by editors of the all-Russia business and economic journal EKSPERT on the basis of an annual forecast published in the journal's first issue for this year.)

•Russia: Anpilov To Support Communists' Presidential Candidate

964E0447A Moscow SEGODNYA in Russian
22 Dec 95 p 2

[Article by Viktor Khamrayev: "Viktor Anpilov Is Willing To Campaign for Zyuganov's Presidential Candidate if He Promises To Abolish the Presidency"]

[FBIS Translated Text] **The radical communist feels that the soviets could be restored within half a year, because "we cannot get along without a tsar."**

Viktor Anpilov has no plans to run for president of the Russian Federation, although the "Russian Labor" movement and the Russian Communist Workers Party

(RKRP) wanted their leader to enter the race as the candidate of the whole leftist opposition.

"I realize that the CPRF is the most popular party among my people," Mr. Anpilov told journalists in the capital yesterday, citing the results of the parliamentary elections as an incontrovertible argument in support of this opinion. That is why the leader of the radical communists is now willing to support "any" presidential candidate nominated by Zyuganov's communists.

This support, however, will not be selfless. Mr. Anpilov has three "unequivocal conditions." First of all, the future candidate of the Zyuganov forces must make a "public promise" to Mr. Anpilov to "restore the soviet regime and abolish the institution of the presidency" if he wins the election. First, however, the RKRP leader wants the CPRF leaders to clarify the statement in their campaign platform regarding the continuance of the presidency only for the "transition period." Mr. Anpilov feels that the "transition period" should not last longer than half a year. This will be enough time, the radical leftist believes, for the restoration of the soviets "in labor collectives."

Mr. Anpilov's confidence in the accuracy of his point of view is bolstered by Russian history, which has convinced the Leninist-Stalinist that "in our country, regrettably, we cannot get along without a tsar." For this reason, as soon as the future communist president issues a "decree on the restoration of the soviet regime," Mr. Anpilov said, "directors will begin submitting reports of early completion in the hope of winning a medal." The Anpilov correspondent's reminder that the initiative of the GKChP [State Committee for the State of Emergency] in August 1991 was not supported by the directors did not faze Mr. Anpilov, who immediately blamed the GKChP's lack of success on its "failure to issue any decrees."

Viktor Anpilov's second condition, which Zyuganov's forces will have to satisfy if they want the radical to be their ally, is the demand "to stop privatization, to conduct an investigation, and to institute proceedings against those whose actions endangered the interests and security of the country."

The third condition concerns personnel concessions from the future president when he forms his new leftist government. Mr. Anpilov is not asking for much for his supporters: "just three seats." The first of these—the office of "radio and television broadcasting administrator"—will not, the former personal correspondent of the Central Television Network assured his colleagues, "cause any upheavals for journalists." Upheavals, Mr. Anpilov warned, can be expected by the "parasites who prefer groveling to professionalism."

The second seat the "Russian Labor" leader wants for one of "his own people" is the office of administrator of people's control, which must be restored. Mr. Anpilov hopes to control even the head of state through this channel.

Finally, the last administrative position the apologist for "dictatorship by the proletariat" needs is in "one of the power ministries." Mr. Anpilov assured the reporters that the radicals have always chosen honest and qualified candidates for the Ministry of Internal Affairs: "Even when we were being beaten, we knew that these were professionals."

After Viktor Anpilov had announced his demands, he said that 10 days should give the CPRF leaders enough time to respond. If Zyuganov's forces fail to respond or if they refuse the offer, "we will rally the leftist opposition around ourselves," Mr. Anpilov promised. The RKRP leader advised other opposition forces to concede that "we won more votes than any other opposition candidates" last Sunday. Viktor Anpilov named the Congress of Russian Communes ("Rogozin is no Skokov") and the Agrarians ("They remembered that I recently turned 50 and wanted to give me a present") among his allies.

The journalists were cautioned to treat Viktor Anpilov's statements as the personal opinions of a politician, because the campaign strategy of "Russian Labor" will be decided at the movement's congress in January of the coming year.

Russia: Irkustk Public Figures on Election Results

964F0709A Irkustk VOSTOCHNO-SIBIRSKAYA PRAVDA in Russian 26 Dec 95 p 1

[Comments by Irkutsk politicians recorded by Yevgeniy Vogazhev and Yuriy Pronian; place and date not given: "It Swung to the Left. Irkutsk Politicians and Experts on the Results of Parliamentary Elections and the Contours of the Presidential Elections"]

[FBIS Translated Text]

Gennadiy Istomin, Deputy Chairman of the Legislative Assembly

Most of the results of the voting on 17 September came as no surprise to me. As was expected, the Communist Party won, and by a significant amount. Less logical was the success of the LDPR [Liberal Democratic Party of Russia], since the political result from the activity of the current State Duma, in which Zhirinovskiy's faction was the strongest, was not high. Perhaps the LDPR members were helped by the government itself, since the outbreak of crime and the delay in the payment of wages were effective campaign material for the LDPR. Zhirinovskiy skillfully took advantage of the situation by saying: "We warned you! Everything we predicted has come to pass...." But that is the easiest thing to say. As an individual and a citizen I place no hopes in the LDPR and I do not believe that Zhirinovskiy can solve anything. As for the left, above all the Communists, I think they will take real actions.

It will be harder to get laws through the upper chamber, the Federation Council, than it was with its first group of members. It now includes 89 leaders of regional parliaments and, for example, the chairman of the Legislative Assembly of Irkutsk Oblast, Ivan Zelent, would never support draft laws that run counter to the interests of the Angara region. In general, if representatives of the Russian provinces begin to meet, agree among themselves, and make concrete decisions, no law that encroaches upon our rights will pass.

In June, when the head of the state is elected, more than in December, it will be necessary to have a proper election. Zhirinovskiy poses a dilemma: "Yeltsin or me. There is nobody else...." But we must not pose the question that way, and if we do, they will vote for Zhirinovskiy. Very few will support Yeltsin today.

Vladimir Muntyan, Executive Director of the Union of Industrialists and Entrepreneurs of Irkutsk Oblast

The largest number of votes were received by the Communist Party and the LDPR, which have been in existence for a long time and have their own constituencies. This was the predicted result, although the liberal democrats ended up with extremely strong positions in rural areas from which they drove out the Agrarian Party. I consider it a success that third place went to Russia is Our Home, which was founded last summer, the more so if we take into account the voters' attitude toward the "party in power" today. In places where the campaign was conducted on the proper level (for example, in Irkutsk) it managed to achieve fairly good results. It is predictable that the figures for the NDR would be higher in large cities, in places where the people have a real possibility of choosing standards and their way of life. Unfortunately, the Federation of Commodity Producers of Russia and the Federal Union of Industrialists and Entrepreneurs were unable to reach an agreement on the creation of a unified bloc because of the ambitions of their leaders—Skokov and Volskiy. The former joined the Congress of Russian Communities, and the latter joined an alliance with the trade unions, but this dispersion of forces led to failure for both organizations in the elections. In single-seat districts the candidates of the Union of Industrialists of Irkutsk Oblast had fairly good results as a whole: Tei, Shuba, and Turusin were re-elected as deputies, and the only one who did not make it was Koroleva. Incidentally, we are hoping for constructive interaction with the deputy from the Angara district, Viktor Mashinskiy.

On the whole, a great deal depends on whether or not Yeltsin runs. If not, apparently, Chernomyrdin will run and, of course, we will support him. Among the other candidates—Yavlinskiy, Zhirinovskiy and, probably, Petr Romanov.

Oleg Voronin, historian

The most sensational thing about the parliamentary elections was the poor showing of the Congress of Russian Communities [KRO]. The KRO is oriented toward the same social group as the LDPR plus the social democrats of the Gorbachev brand, but they were unable to mobilize their potential voters. And yet, the "congressmen" had plenty of financial and organizational resources. Let me note also the modest result obtained by Yabloko. The success of the Communists is quite explicable but, in the big picture, time will go against them. Votes for the LDPR indicate the attraction of the marginal strata to self-organization, but after the CPRF the "Zhirinovskiy boys" will ultimately suffer a historic defeat. And although the pendulum has now swung to the left, Russia has managed to avoid serious cataclysms for the first time.

Participating in the presidential elections will be Yavlinskiy, Zyuganov (or Ryzhkov), Chernomyrdin, Zhirinovskiy, Rossel, Tuleyev and, in spite of the defeat of the KRO, Lebed. Yeltsin will most likely retire. The new president will be a person of democratic leanings and at the same time a proponent of a strong social policy.

Viktor Barabash, member of the Oblast Committee of the CPRF

The elections in the Irkutsk single-seat district are typical of the entire country: The winners were the money and the administrative machine and not the candidate's program. Additionally, the city organization of the Communist Party did not support Romanov and began to work for the nominee from the KRO, Khayruzov, which I consider to be a mistake. The majority of the proponents of the CPRF voted for the advantages of preperestroyka times but certainly not for the party leaders. An indicator of the people's dissatisfaction with Zyuganov's duplicitous, conciliatory policy was the growth of the number of votes cast for the Communist—Working Russia—for the Soviet Union bloc. I do not expect anything new from the CPRF faction in the Duma. It is to all appearances an imitation of a struggle for a government course (a new example is Zyuganov's support for the federal budget). The reason for the failure of the Agrarians was their excessive self- confidence and the very existence of the Congress of Russian Communities, which is justified in the CIS countries but absurd on the territory of Russia. This is approximately the same thing as a congress of French communities in France or Japanese communities in Japan. I will be brief about the others: Gaydar is a political corpse, Our Home is a party of bureaucrats, and only Yabloko is a serious association with an intelligent leader, although he is a market supporter.

Undoubtedly among the candidates for president we will see Yeltsin, Yavlinskiy, and Zhirinovskiy; Chernomyrdin will not participate. If the CPRF leadership wants to lose the June elections they will run Zyuganov. Events of recent years have shown that Gennadiy Andreyevich is an amended and supplemented re-edition of Gorbachev. I think that in this situation some of the Communists will vote for Yavlinskiy. Lebed as a candidate for president? Get serious.

Russia: Novosibirsk Politicians on Elections

964F0711A Novosibirsk VECHERNIY NOVOSIBIRSK in Russian 22 Dec 95 p 7

[Comments by Novosibirsk political figures; place and date not given: "What Are the Politicians Thinking?"]

[FBIS Translated Text] Like all electoral committees in Russia, the Novosibirsk Oblast Electoral Committee did its fair share of work during the election. The unprecedentedly high voter activity and entirely understandable complexity of tallying the vote involving 43 electoral associations brought about a situation where it will be some time before we see the final results. Nonetheless, the overall picture is presently discernible—the victors are known, as are the approximate percentages....

We asked a number of Novosibirsk political figures to comment on the results of the 17 December election. These are politicians who participated quite actively, one way or another, in the election campaign.

Sergey Krupenko, Secretary of the Oblast Committee of the Russian Communist Workers Party

"Our bloc, Communists—Working Russia—for the Soviet Union, was seen and heard throughout the country. Although by the next day we had not managed to collect 5 percent, people realized that there are communists who are truly communists. As far as the CPRF [Russian Federation Communist Party] is concerned, the members of Zyuganov's party are not communists in their ideology.

"Perhaps we could have done better in Novosibirsk, but the extent of our experience is not great at present. We supported Mukha as the lesser of two evils.

"The election showed that the populace does not yet have a clear- cut concept—they vote either for the young and uninitiated or for the intransigent fighters. People have shown that they are against the current reforms. Unfortunately, virtually all (except for two individuals) who won in our area represent the bourgeois wing that is conducting the current policy."

Yakov Savchenko, Democratic Russia

"I believe the election results are tragic. Even more tragic for the country as a whole than for our oblast. We must keep the presidential election in mind—it is one thing to choose between Indinok and Mukha, and an entirely different matter to choose between Zyuganov and Zhirinovskiy. It is a shame that Manannikov came so close to winning second place in the gubernatorial election. Against this unhappy background we cannot help but note the confident victory of Arkadiy Yankovskiy in Zayeltsovskiy District.

"As far as the LDPR [Liberal Democratic Party of Russia] is concerned, I am quite surprised at the victory of a man such as Loginov. If I run for the oblast soviet, I would invite Mr. Loginov to present his candidacy in that same district, where he would see a true pre-election struggle, where the deciding role is played not by a candidate's party affiliation, but by his personal qualities."

Vladimir Anufriyenko, Social Democratic Party of Russia

"The counterrevolutionary coup carefully prepared by the communists ended in failure. Democratic trends in Russia blocked this coup attempt. The transformations will continue—there can be no doubt about this. Russia will move forward, although from the organizational point of view democrats did not come out on top in the election...."

Aleksandr Lyulko, Leader of the Novosibirsk Organization of the Congress of Russian Communities

"In my opinion, the trends are obvious. First of all, the people are entirely fed up with the present authority. Secondly, people here continue to be extremely trusting—they still believe all the promises that will never be fulfilled by those making them. The victory of the opposition is clear, but it will have no power whatsoever. I believe that neither the communists nor Zhirinovskiy's group have people capable of running the country."

Oleg Gonzharov, Executive Committee Chairman of the Novosibirsk Organization of Russia Is Our Home

"The indices virtually coincide with figures I cited two months ago—Russia Is Our Home received about 7 percent of the votes in Novosibirsk Oblast. We could have done better, but the LDPR made an exceptionally strong 'presentation' in Iskitimskiy Electoral District. If we look at the overall results, it is evident that the democrats lost. We should not mince words. We should acknowledge straightaway that this was a defeat.

"We have to acknowledge this and draw the necessary conclusions. It is entirely clear that we must prepare right now for the presidential election. A great deal will be decided in June 1996...."

Anatoliy Manokhin, Authorized Representative of the Russian President in Novosibirsk Oblast

"Everybody knows what happened—voter sympathies shifted in the direction of conservatism. Without a doubt, the popularity of the communists has grown. This is because people are experiencing a certain disillusionment in the reforms, in how they are being carried out.

"The ruling nomenklatura managed to blame everything on the democrats, although democrats have never been in power in Russia.

"But I am not wallowing in the throes of defeat. What happened, happened—it is a normal occurrence. I agree with one of the analysts who stated that four years from now the people will vote in concert once again—but this time it will be for democrats.

"The important thing is to preserve our political reference points in society. If you are a communist, then say so. Say that you advocate state regulation of the economy. If you are a democrat, do not mince words. Say straightforwardly that you advocate a market economy and support independence of the producer.

"It is significant that representatives of the old ruling guard made it through to the second round of the gubernatorial election— Indinok and Mukha. The differences existing between them are not that important. What is important is the fact that they are from the same 'old guard.' But you have to look the truth in the eye— the majority of people today stand behind them. People are most likely tired of changes and are backing the tried and true, the familiar names....

"What can we be happy about? We can be happy that Ivan Starikov obtained a good voter response in the city. He did not have the time to properly establish himself in rural areas—58 days is not much time for conducting a campaign. You usually begin half a year or a year in advance for an election such as this.

"What is disconcerting? Loginov's success is very distressing. I relate negatively to Zhirinovskiy and his party. I believe the LDPR is a main danger for Russia insofar as these people are, to put it mildly, unpredictable.

"The presidential election lies ahead, and the time to be thinking about it is right now."

Russia: Socialist Workers Party Head Interviewed

964F0711B Novosibirsk SOVETSKAYA SIBIR in Russian 23 Dec 95 p 4

[Interview with Lyudmila Vartazarova, chairman of the Socialist Workers Party, doctor of economic sciences and journalist, by A. Zharinov; place and date not given: "We Are Seeking New Formulas"]

[FBIS Translated Text] [Zharinov] Lyudmila Stepanovna, history shows that the Socialist Workers Party [SPT] seems to have emerged "through misfortune"—following the suspension of activity of the Russian Federation Communist Party [CPRF] in August 1991. The nucleus of the CPRF was essentially preserved under the roof of the SPT. At the same time, many Communists liken the SPT to "the Trojan horse of post-communism" that never came back to the stable. The CPRF and SPT did not disband, a prospect that had been arranged following "repeal" of the president's "forbidden" edict by the Constitutional Court.

[Vartazarova] I would refute the postulate straightaway that anyone presumed the SPT would transition smoothly into a resurrected Communist Party. That is not so. Those who established the SPT did not set any such objective. There did exist views and opinions in this vein, but there were entirely different views as well. This, incidentally, is one of the myths circulating in the left movement. There was a diversity of views, and I for one had no thoughts of an obligatory return. Then too, it would be absurd to set such an objective right away. After all, who could know whether or not the Communist Party would manage to be resurrected, or what positions it would espouse?

Yes, on the one hand, the SPT emerged through misfortune, but on the other—there always existed this provisional division within the Communist Party of the Soviet Union. Perhaps it would have been better for us all had we previously set about establishing two left parties out of the CPRF. Unfortunately, we failed to accomplish this organizational division in a smooth, peaceful way.

When the Communist Party reestablished itself with assistance from regional organizations of the SPT and its representatives in the Constitutional Court, from our point of view—those of us who adopted the resolution to preserve the SPT as an independent party at the Third Congress—the CPRF returned with a set of principles going back even farther than perestroyka. Its initial documents were written in the spirit of the end of the seventies.

[Zharinov] What do you mean?

[Vartazarova] The provisions of the charter, for example, a very rigid charter that underwent increasing democratization, but then returned abruptly to the initial position (minimizing the rights of regional organizations, prohibiting factions, etc.). Unfortunately, everything came around full circle.

[Zharinov] What about the program?

[Vartazarova] The same applies to the program. The revived CPRF advocated more rigid, traditionalist positions, not reform positions. It espoused a return to centralized management of the economy, with ownership restricted to communal ownership. In other words, from our point of view, it was a step backwards, a step to the detriment both of the left movement and of the country's economy. We cannot move the economy back—it will not work that way.

But quite frankly, there were a number of purely moral aspects that, it seemed to us, were violated at the reestablishment stage. Specifically—what we saw take place with respect to "the V.A. Kuptsov movement." This was incomprehensible in purely human terms. The way it was done was quite unseemly. And when the SPT Congress convened in July 1993, despite the fact that most of the people— understandably—reestablished their ties to regional Communist Party organizations, about 10,000 remained in the SPT. So we made the decision to establish our own personality, our own positions, and our own allies, with whom the Communist Party could simply no longer work. These were the trade unions, organizations of noncommunist orientation, and a number of centrist movements. We believed it would be more advantageous to remain an independent political party rather than cooperate with the CPRF.

[Zharinov] You cite deficiencies in the initial program declarations of the CPRF, but these have been removed to a great extent from the final program version.

[Vartazarova] They remain in part, although the Communist Party has somewhat modernized itself in this regard over the past two years. The program remains as it was to a great extent—that same romantic, nostalgic program, if I can phrase it that way. I for one cannot understand, given the development of events, how our colleagues can insist on rigid, centralized management. This is just unrealistic and harmful.

[Zharinov] You are referring to the economic sphere?

[Vartazarova] Yes, of course. I do not understand why the postulate remains that seemingly permits retention of the market and private ownership, but only in a transition stage. You see, these are remnants of the past that must be overcome. A modern economy cannot function without the market mechanism, without the institution of private ownership in instances where it is effective and advantageous. After all, we too show a preference towards collective, social forms of ownership quite diverse in nature: joint-stock ownership, group ownership, etc. But to talk once again about communal ownership in our classic, Soviet sense—is I think entirely unrealistic.

This seems to be where we parted ways. We consider the market an intrinsic aspect, even of socialism. This is only normal—a combination of centralized management and the market mechanism. We advocate a synthesis of various mechanisms, various forms of ownership, in their optimal combination. The Communist Party is quite rigid in insisting that the market is not intrinsic to socialism, that it must gradually be phased out. We are categorically opposed to this idea. The Communist Party retains the following slogan in its program: "From each according to his ability, to each according to his needs." We believe this is unrealistic. "To each—according to his labor!" This we will support. This is the slogan we are fighting for. But "To each— according to his needs"!? This is a romantic concept that comes down to us from bygone times. It is entirely impossible to realize, and might even be dangerous. Mankind has a long way to go before reaching such a level of consciousness.

[Zharinov] If we consider the meaning of this slogan, clearly it refers not just to the "material" aspect—food, shelter over one's head, a dacha, a car. Right? It deals with the entire range of things that comprise our spiritual make-up.

[Vartazarova] Of course! But you have to think about what is realistic from the point of view of burdening the economy, and about what is unrealistic in this sense. Will it be possible at some point in time, based on the level of consciousness of citizens and capabilities of the economy, to effect factual realization of the slogan "To each according to his needs"? From our point of view, alas, that will never happen. To put forth such a slogan today is nonconstructive, at the very least.

[Zharinov] So it turns out communism can be discussed only in the context so often cited by its opponents—that it is a beautiful dream, the clear water of idealism, Manilovism, and nothing more?

[Vartazarova] You know, we view communism largely as a moral criterion: "The free development of each is a condition for the free development of all." We retain this slogan on our banners as the ideal of communism, and we believe it is absolutely correct. But here we are shifting focus from the economic and material plane to one of moral criteria. In this sense, of course it is a dream! But we must have such a moral criterion. We must have a moral compass to verify whether or not we are proceeding in the right direction.

At the very least, this is not the time to make assertions regarding the real principles of communist structuring or of the communist system, and it is even unrealistic for the 21st century. We have therefore made a conceptual distinction here, while the Communist Party has kept things as they were.

[Zharinov] It has also kept the classic approach to evaluating the socioeconomic and political condition of society.

[Vartazarova] We believe (fortunately or unfortunately) that the social structure of society is changing quite radically. It is being eroded. There are no major social classes, like the working class in the old sense. We are seeing changes, modernization. Unfortunately, the contradictions have not disappeared, and are in fact increasing. But we are not talking about class contradictions in the classic Marxist sense of that expression.

We are seeking new formulas, seeking to combine what remains from old visions to form new ones. The Communist Party, from our point of view, remains more traditional in these approaches.

[Zharinov] But surely, you are often reproached by the public at large for such "seditious" opportunistic statements, are you not? Like the statements concerning private ownership? As we know, your party does not view the soviets as a political system....

[Vartazarova] Honestly, we are not. I believe those days are past. The Communist Party has in fact shifted in our direction, it seems, with respect to its program postulates. So you would first have to accuse the Communist Party of opportunism, and then us. Because if it calls itself the Communist Party, it should have more of the classic communist postulates than it actually does.

These kinds of accusations against us disappeared somewhere around 1993-1994, partly, as I stated, because of shifts made by the Communist Party. Gennadiy Zyuganov has stated that his party is a social-democratic one. Where then is the opportunism on the part of the socialists? We formulated our position from the very beginning and have not altered it.

As far as the soviets are concerned, first of all, we never repudiated this system. But let us first delve into just what it is we want today from these soviets. What do we want to put into this concept? Is such a form of government possible? How will it function? Only after this is done will we make a determination.

[Zharinov] Today we have as many as 10 parties whose names begin with the words "socialist," socialist-democratic," "social- patriotic," etc. How does your party differ from the others?

[Vartazarova] Fortunately, there are no more socialist parties. Indeed, there have appeared this year several social-democratic parties—from Aleksandr Nikolayevich Yakovlev's Social Democracy Party to Vasiliy Semenovich Lipitskiy's Social-Democratic Union. The Social-Democratic Party existed prior to this as well—true, it has now split in two. And now we also have the Lipitskiy-Popov bloc of Social-Democrats. This is an attempt to invent a version of Western social democracy here. But this is impossible with us for several reasons. Its origins, for one, since Western social democracy was born out of the trade-union movement. "Today's" social democracy was not born in that fashion, and indeed, could not be born in such fashion.

Secondly, Western social democracy, and accordingly—the slogans being professed by our newly emerging social democrats, constitute a political movement that never did protest against the system, but rather talked about adjusting it. Ours is not a question of adjusting the system. Here this system has not yet been established. We do not have it. The country is in a search mode. Therefore, a social-democratic movement purely reformist in the Western sense is incomprehensible. It would have to be affixed to something. Right now there is nothing to reform.

Thirdly, when Western social democrats talk about social justice, their concept here largely entails a question of social protection, the redistribution of social benefits. Precisely in order to protect those whose rights and interests are infringed upon. When we talk about social justice, we assert that yes, the element of social protection is present here. We must protect those who require protection. But for us, social protection is a question of equal opportunity, equal rights for all citizens of the country, regardless of how much money they have, whether or not they have capital. It is a question of justice from the point of view of our slogan advocating distributions according to labor. From the point of view that a citizen of our country, regardless of where he was born—in Chukotka or in the thriving non-Chernozem, should have equal opportunities and rights. There should be no infringement based solely on the fact that he is poor or was born in a locality with extreme conditions. The SPT stands for those values and ideals that spring from Russian socialism, not the Western version. It is a different phenomenon here. It was always different in Russia.

[Zharinov] This then is why your political alliance with the KRO [Congress of Russian Communities] is more solid than with the communists.

[Vartazarova] Of course, logically speaking, those who consider themselves leftists should be working together. But clearly we are still a small party. We are still growing and learning. Our ambition and the desire to present ourselves as the best still play a very great role. At this time, unfortunately, the Communist Party cannot be a political partner of ours. Herein lies the misfortune of the "comrades." They have not yet been able to assume a style of partnership relations based on equal rights with other left-oriented movements.

[Zharinov] "We have 500,000! The largest party! The largest faction!" Is this what you are trying to say?

[Vartazarova] That would be emphasizing a certain hierarchy. But no one is today seeking a hierarchy, from the point of view of subordination. People are ready for partnership relations based on equal rights, regardless of whether their partner is large or small. This falls under the same category as the differentiation between ethnic groups—great and minor peoples. We have to have equal rights here.

In addition, our comrades from the CPRF are operating improperly. In proclaiming partnership from the rostrum, Gennadiy Andreyevich Zyuganov said during the spring, for example, that the SPT, trade unions, and the Communist Party were creating their own bloc. What bloc? No one conducted negotiations. Now we see the same thing with the KRO. The Communist Party and KRO will be partners! This is an official declaration. At the same time, a very harsh directive was issued to the primary organizations instructing that they categorically not support the KRO, not assist in collecting signatures, etc. Since 1993 we have been working with the Federation of Goods Producers, as well as with a whole number of regional trade unions. This is therefore not an alliance that was born today. These are not new partners for us—they have shown themselves to be most serious and constructive in the political arena.

[Zharinov] How would you begin work in the State Duma?

[Vartazarova] First of all, it is necessary to amend the Constitution so that we finally get a normal separation of powers. We have lived long enough in a presidential republic, in accordance with presidential edicts. Then too, the government must be a real government, not something that duplicates presidential structures. The parliament must adopt laws that have a real effect. They cannot simply sit on the shelf. And the judicial branch must stand on its own two feet—it has not yet found its place as a branch of authority.

Secondly, we must affix provisions within the Constitution that will act as a purposeful directive, a main criterion by which the government's activity is checked.... We are proposing the conduct of a referendum, to be followed by legislative implementation of its results. The referendum question will be: "Do you believe that increased prosperity and greater longevity for Russian citizens should be the main objective of state policy and the aim of constitutional assessment of the government's activity?"

[Zharinov] Not a bad question!

[Vartazarova] Enough playing games! Enough slogans, statements of intent, and promises! We need increased prosperity and increased longevity. Not what we have now—the decline of one indicator after another.

We would also propose the following question for referendum: "Do you believe that in order to strengthen interethnic harmony and the security of citizens, we should constitutionally define the Russian Federation as the Union of People's of Russia?" These provisions must be legislatively enacted.

Thirdly, we must cope with problems of safety and security.

[Zharinov] In the broad sense?

[Vartazarova] Yes. From personal security to state security—in the economic, information, defense, and other spheres. Either this question will be resolved fairly quickly or the country will find itself defenseless in the face of problems, both foreign and domestic.

[Zharinov] What would you have to say to the readers of SOVETSKAYA SIBIR?

[Vartazarova] I wish all the best to your readers and everyone else. I would ask them to stand their ground, to endure, and to get involved in what is taking place in society.

Russia: High Voter Turnout in Smolensk Oblast

964F0846A Smolensk RABOCHIY PUT in Russian 19 Dec 95 p 1

[Article by G. Dobyshev: "The Village Voted More Actively"]

[FBIS Translated Text] The country has given birth. Acceptance and nonacceptance, sympathy and antipathy materialized on 17 December as ticks and crosses, appearances and absences. Then everything—today's hopes and tomorrow's disappointments—ended up in wooden boxes, which for some reason are called urns.

From early in the morning there were a lot of people at the polling centers in the rayons. Rural people get up early. More than a half million people had voted in the oblast by 1800. This is about half the voters of the Smolensk region. And our "remote area"—Monastyrshchinskiy, Yershichskiy, Novoduginskiy, Sychevskiy, and Temkinskiy Rayons—displayed the highest activeness in the oblast: 70 percent voted. While in the oblast at this hour the figure was only 53 percent.

Vyazma and Desnogorsk turned out to be our "lazy" cities. Indeed, the oblast center should have had the kind of activeness there was in Temkino....

However, no one was chasing after percentages. And while previously statistics gave us 101 percent voting by lunchtime, the experts were supposing—60 percent.... By evening....

I spent a good half day and that night in the territorial commission of one of the most "difficult" rayons of the city— Zadneprovskiy. The rayon stretches for 38 versts along the Dnieper River. And although there are 34 precincts here, it is a long way for many people to get to the ballot boxes. Influenza is making the rounds, and people galore are "bedridden." The white telephone is red not with sick people calling: We will vote. Families of officers call in: We are still not registered, but we want to vote. A new aviation unit arrived from somewhere like a bolt out of the blue—additional ballots were needed. Two gentlemen who were administratively detained and sobering up tried to reach the electoral commission from the temporary isolation ward for half a day. It became necessary to take the ballot box to them....

According to yesterday's data, more than 68 percent of Smolensk residents voted on election day.

There were also "individual shortcomings." Some commissions limited themselves, in view of the absence of resources, to the distribution of one invitation per family. But voters who got accustomed before to receiving a "personal" invitation interpreted this as neglect. Indeed, not everyone was able, for a number of reasons, to turn in these invitations. But the precincts were broken down into smaller units, and those that previously voted in one place now had to go to another place. Confusion arose.

There were not very many young people at the precincts. But four years lie ahead, and young people will have time to convince themselves that you cannot hide from life. One would like to think that they will come out next time without fail....

Russia: Communists Lead in Smolensk Elections

964F0846B Smolensk RABOCHIY PUT in Russian 20 Dec 95 p 1

[Article by P. Privalov: "The Elections: We Waited a Long Time for the Results. But Is This What We Waited For?"]

[FBIS Translated Text] Opening yesterday's issue of RABOCHIY PUT, our subscribers, naturally, were counting on finding an answer to the question that excited them most of all: How did the Smolensk region vote, and whom did we elect to the State Duma? Alas, the "election" materials were not distinguished by an abundance of numbers and candidates' names. We were unable even to give the name of the new deputy to the State Duma for Vyazma electoral district No. 168. Indeed, the rest of the data was more of a conjectural than a preliminary nature. This happened through no fault of our own, but we are also not reproaching the workers of the electoral commissions for the delay: Many of them had to spend a day and a half on the job without sleep or rest. In general this is not surprising: The members of the commission have never had this volume of work before.

We will say right off that all the information presented today to our readers is of an unofficial nature, and some refinements cannot be ruled out. The main result of the elections is the fact that the 5 percent barrier in the Smolensk region was surmounted only by G. Zyuganov's CPRF [Communist Party of the Russian Federation] and V. Zhirinovskiy's LDPR [Liberal Democratic Party of Russia]. In the Smolensk electoral district the Communists collected 31.8 percent, and the LDPR—18.2 percent of the votes, and in the Vyazma district, 32 and 21.1 percent respectively. Russia Is Our Home and Yabloko, which were registered in the State Duma, are far from as popular here as they are in the Russian Federation as a whole. The NDR [Russia Is Our Home] received, respectively, 4.9 and 4.3 percent in the Smolensk and Vyazma districts, and Yabloko—4.8 and

3.1 percent. This does not at all mean that Smolensk residents know only two parties. The voters of the 169th district, for example, did not fail to pay attention to even one of the 43 electoral associations. The Interethnic Union collected the least amount of votes (57 votes).

As for the candidates for deputy in single-seat districts, here also the campaign between the two most popular parties in the Smolensk region was observed closely. The correlation of forces turned out to be approximately the same as in the voting according to federal lists. A. Lukyanov received 116,848 votes in the Smolensk district. This is 37.1 percent. S. Zhamoydo, the candidate from the LDPR who took second place, has results that are worse by almost a factor of two and a half (50,330, or 16 percent). It is possible that the third place of their candidate, V. Litvinov, head of the administration of Krasninskiy Rayon, improved the mood of the members of Russia's Democratic Choice somewhat—6.7 percent. But it is interesting that even in his own native rayon the candidate conceded victory to A. Lukyanov. The places were further distributed as follows: G. Danilov—5.3, B. Parfenov—4.3, A. Plyaskin—4.2, and V. Shvedov—3.3 percent. The rest of the candidates did not exceed the 3 percent level.

It is true that a reservation should be made here. An assured third place in the district is not left to some individual candidate, but under the column "against all variants"—9.5 percent!

Our readers already know that in the Vyazma electoral district victory was gained by D. Abramenkov (25.9 percent), a representative of the CPRF from Roslavl and an expert in production training. Second place, not as confidently as in Smolensk, was taken by A. Kozyrev, an LDPR nominee (16.8 percent). A winner in past elections to the Duma, V. Balalayev, an Agrarian Party candidate, this time only came in third place—15.4 percent.

RABOCHIY PUT plans to publish more detailed official election results. They unquestionably deserve profound and comprehensive analysis, inasmuch as they came as a complete surprise to many.

Russia: Smolensk Oblast Official Election Results

964F0846C Smolensk RABOCHIY PUT in Russian 26 Dec 95 pp 1-1

[Article by I. Petrov: "There Were Shortcomings, but No Abuses Were Recorded: News Conference on the Results of the Elections"]

[FBIS Translated Text] The Smolensk Oblast electoral commission has held a news conference devoted to the results of the elections to the State Duma of the Russian Federation. Journalists were given the opportunity to ask questions of L.I. Nazarenko—chairman of the oblast electoral commission, V.S. Zaytsev—chairman of Vyazma district commission No. 168, Ye.G. Bazhanova—chairman of the Smolensk district commission, and others. S.V. Antufyev, chairman of the Smolensk Oblast Duma, and V.Ya. Soldatov, deputy chief of the UVD [Administration of Internal Affairs], also took part in the news conference.

V.N. Osin, deputy chief of the Smolensk Oblast electoral commission, spoke about the main results of the elections. He noted most of all the high activeness of the voters: We have not seen 68.5 percent voting for a long time, and in some measure this was one of the surprises of the present election campaign. In the busiest hour of the day there were a lot of telephone calls about the fact that there were too few voting booths in the electoral precincts. Acknowledging the validity of these voters' comments, members of the commission could only refer to the chronic shortage of resources. There were complaints that members of the commission did not go to all the voters who wanted to vote at home. They simply did not have the physical capability to do so. There were too many complaints like this in connection with the flu epidemic. It is enough to say that 64,854 voters, or 12.6 percent of those voting, cast their ballots in portable ballot boxes.

The absence of disputes with observers from various electoral associations can be noted as one of the positive aspects of the present elections. In an overwhelming majority of cases the negative attitude toward them on the part of members of the precinct commissions that prevailed previously was not present. Among the observers this time there were six foreign representatives with mandates from the CSCE. Like our observers, they noted the propriety and professionalism of the workers of the electoral commissions and the democratic nature of the elections. The foreigners paid particular attention to the fact that our voters voted "without looking over their shoulders"; that is, when filling out ballots without going into the booths, they did not even think that representatives of some special services or other organizations could subsequently settle scores with them.

But on the whole, as V.N. Osin noted, the same tendencies were observed in the voting of Smolensk residents as were observed in other components of the Russian Federation. All figures are of a preliminary nature, but in the main they are already known to Smolenskers. According to the law, the official results should be published within a month of election day. The results of the voting in the oblast center, perhaps, may not be without interest for our readers, especially since they differ somewhat from the overall oblast and regional results. Thus, while the Communists received approximately as many votes in Smolensk as in the oblast as a whole, the LDPR received considerably less (respectively 19.6 and 14.25 percent). Less was collected by Anpilov's Communists (4.5 and 3.78 percent) and the Agrarian Party of Russia (a total of 0.73 percent of the city's residents voted for the Agrarians). On the other hand, the more popular parties in Smolensk were the NDR [Russia Is Our Home] (4.6 and 6.65 percent), and also the DVR [Russia's Democratic Choice] (3.6 and 6.21 percent), Yabloko (4 and 7.3 percent)....

The automated "Elections" system was tested in the present elections. It was used exclusively to observe the progress of voting under strict control. This system has a future.

In the course of preparations for the elections and in the process of the voting, there were complaints from candidates and voters mainly about violations of the procedure and rules of campaigning and personal ethics. But the violations were not of a massive nature, and there was no barrage of complaints. The elections took place in an organized and democratic way.

There were allusions to individual shortcomings in the speeches of representatives of the district commissions. Of the biggest violations, the chairman of the Vyazma commission noted the publication in the newspaper VYAZEMSKIY VESTNIK of advertising material of a candidate on a Saturday, when all advertising is forbidden by law. The district commission acknowledged the violation and passed its decision to the court. However, there has been no success yet in guaranteeing the appearance of the editor.

A.M. Dushchenkov, chairman of the Smolensk Union of the Unemployed, spoke very resoundingly at the news conference. He accused the mass media of one-sided presentation of advertising material of pseudo-democratic forces and of an information blockade of representatives of left-wing and patriotic movements.

Recently a lot of unfavorable criticism on the part of voters has been directed against RABOCHIY PUT. "Venality" and "bias"—there was occasion to hear these assessments rather frequently. At the same time the newspaper operated in the period of the pre-election campaign in full compliance with the Law on Elections in the part on unofficial mass media. It is inappropriate to talk about any kind of blockade, if for no other reason than that materials about Lukyanov and for Lukyanov appeared far more frequently than those for a majority of the other candidates. And this under the condition of minimal expenditures on the part of a candidate. But the political advertising being paid for is today one of the main conditions of the existence of the oldest and most prestigious newspapers of the oblast. Today, like yesterday, we live at our own (and very considerable) expense.

Russia: Okrug Election Results Reviewed

964F0841B Tyumen TYUMENSKAYA PRAVDA in Russian 21 Dec 95 p 1

[Article by S. Romanov: "Elections-95: First Results.... For Whom Is the North Voting?"]

[FBIS Translated Text] According to the latest data of the Federal Information Center of the Central Electoral Commission, 64.95 percent of voters took part in the elections of State Duma deputies. Leading, according to the results of the voting by party lists, are: the Communist Party of the Russian Federation [CPRF]— 22 percent, the LDPR [Liberal Democratic Party of Russia]— 11.2 percent, Russia Is Our Home—9.5 percent, and Yabloko—8.4 percent. Other voting blocs have still been unable to overcome the 5 percent barrier that is necessary for representation in the Duma. Still, this is with respect to Russia; how is the vote count going in our oblast?

In Khanty-Mansiyskiy voting district No. 222, A. Lotorev, first deputy head of administration of the city of Nefteyugansk, who received 26.6 percent of the votes, was the winner. His closest rival, V. Petukhov, president of the Nefteyugansk production enterprise Debit, received 25.2 percent of the votes.

Ahead in this district according to federal lists are:

LDPR—16.3 percent

Russia Is Our Home—15.4 percent

Party of Workers Self-Government—9.7 percent

Women of Russia—8.4 percent

CPRF—8.3 percent

Yabloko—5.4 percent.

V. Medvedev, a deputy of the State Duma of the first convocation, is leading in Nizhnevartovskiy electoral district No. 221, surpassing by almost 20,000 votes N. Krupinin, chairman of the Nizhnevartovskiy territorial committee on environmental protection and natural resources.

The leaders in the district according to party lists are: LDPR (30,608 votes), Russia Is Our Home (27,172), Party of Workers Self- Government (23,825), Women of Russia (18,414), CPRF (16,424), and Yabloko (12,787).

As we can see, the distribution of the political priorities of Northerners differs noticeably from the choice made by residents in the south of the oblast, where the Communists gained a victory. But these are preliminary data, and it is still too early to come to any conclusions. TYUMENSKAYA PRAVDA will report the final results of the elections to the Russian Federation State Duma of the second convocation in a forthcoming issue.

*Russia: Segodnya Editor Views Presidential Election

964E0448A Moscow SEGODNYA in Russian 27 Dec 95 p 2

[Article by Dmitriy Ostalskiy: "Undesirable Legacy; Parliamentary Elections as Presidential 'Primaries'"]

[FBIS Translated Text]

Time and Place

The place is Russia, and the time is now. The campaign furor is gradually subsiding. Respectable citizens are getting ready for the New Year's and Christmas holidays. Math problems—addition, subtraction, and division—are being done only in the headquarters of the winning and losing politicians. Some of the arithmetic has to do with deputies and factions and with the positions of speaker and committee chairmen; some has to do with the electorate—i.e., those same respectable citizens. The latter type of math problem is the most important: The Duma elections lead directly to the presidential election. Multiplication is the only kind of math that is absent from politics at the end of the year: There is nothing to multiply.

Characters and Performers

They are all still the same. Of course, the votes cast in the last election cannot be applied automatically to the next one. Nevertheless, the main political forces have been defined, and so has their balance of power. The mood of the voters is also clear. We should not expect any significant changes in this cocktail in the next six months. The president of the country will be elected by the same people who elected a parliament a few days ago.

Therefore, we can identify the main characters in this production:

First of all, there is the sizable segment of the public that either feels disenfranchised or is simply nostalgic for the days of its youth. The interests of the members of this group are understandably represented by parties the population associates with the Soviet era. The main ones are the CPRF, the Anpilov-Tyulkin communists, the "Power to the People!" bloc of Citizen Ryzhkov, and the Agrarian Party. Aleksandr Rutskoy's "Derzhava" and Stanislav Govorukhin's bloc could also be included in this group by virtue of the main features of their constituency (feelings of disenfranchisement and helplessness), but only with some reservations. At the very least, the supporters of these men can be expected to vote for Gennadiy Zyuganov in the second round (incidentally, I will be discussing this again). We can call this group of politicians and their followers the party of fans of the soviets.

Second, there is the party in power. In the case of the Duma elections, this is the NDR ["Russia Is Our Home"], and in the case of the presidential election it is Boris Yeltsin or his chosen successor. The electorate of this party is quite diverse and has no single ideology. In past elections it has been supported not only by those with a personal preference for the premier whose hands always seem to be poised for prayer, but also by those who are afraid of any major change that could lead to serious social upheavals. For this reason, the supporters of the party in power can be described as anticommunists, because the communist leader's victory in the presidential election would be one of those cardinal changes that frighten these people.

Third, there is Mr. Zhirinovskiy's LDPR. This party's electorate has features that are quite similar to those of the communist electorate. Above all, these are people with a grudge against everyone and everything, especially the government. The main difference between them and the fans of the soviets is that, for some reason, they either do not like the word "communism" or are simply prone to eccentricity.

Fourth, there is the group of confirmed anticommunists, also known—in the traditional Russian political spectrum of the contemporary era—as the democrats. With some reservations, the electorate of Irina Khakamada's "Common Cause," the Pamfilova-Gurov-Vladimir Lysenko bloc, "Yabloko," Boris Fedorov's "Forward, Russia!" and Yegor Gaydar's DVR ["Russia's Democratic Choice"], as well as Konstantin Borovoy's Party of Economic Freedom, could be described as firm supporters of this political current (it is possible, incidentally, that the 87,000 people who voted for Borovoy appreciated his funny poems more than his political views).

Fifth, there is General Lebed. He now stands alone on the political stage. The KRO, which was propping him up before the elections, turned out to be dead weight, judging by the election results. It appears that a change of team will be required to turn this into a genuine political force by the time of the presidential election. The features of his constituency will depend largely on the new team he chooses. In general, these will be people who want what is traditionally referred to as order and a firm hand. They will not, however, be overly concerned about ideology.

Finally, the last and most indeterminate group, but precisely the one for which the main battle will be waged, is the "neutral electorate"—in other words, the supporters of the marginal parties. As is often the case, they are probably the ones who will cast the deciding vote for the new president.

Many Candidates, One President

There are so many parties, but how many presidential candidates will there be? We can assume that this number will be much lower. Not only will the initiative groups (and there should be several hundred of these) have to collect a million signatures of potential voters each, which represents a difficult organizational task in itself, but this million will also require other resources. If each signature in the last campaign cost the election associations from 1 to 5 dollars, we can assume that a "presidential" signature will cost at least as much.

Furthermore, the financially secure individuals who grew accustomed to giving everyone a little help during the parliamentary campaign, are unlikely to help candidates with little chance of success (the favorites have already been defined; this was one of the main results of the last election). This means that there will have to be a higher concentration of capital behind each candidate. I think that no more than eight or nine individuals will be registered by the Central Electoral Commission.

The main question in this campaign will be: Yeltsin or not Yeltsin? At this point, it is anyone's guess. On the one hand, the president's unpopularity has reached its peak. The very mention of his name invigorates the fans of the soviets. The chance to vote against Yeltsin is a strong incentive to go to the polls for a person who believes that Yeltsin's government is the cause of his problems. In addition, there is his recent indisposition, which certainly will not increase the number of his supporters. On the other hand, if not Yeltsin, then who? The only "proven" (and, it must be said, relatively successfully) establishment figure is Viktor Chernomyrdin. The members of the central government staff have grown accustomed to him, and they and the local elite know what they can expect from him. He was quite successful in evading responsibility for the Chechen war and he is acceptable, even if just barely, to most of those who are not pleased with the communist alternative. And who knows—is it possible that the current president, who clearly hopes to go down in history as a great democratic reformer, might pass the baton to the current premier as the lesser evil, in spite of their personal disagreements? Only Boris Yeltsin can answer this question. He will do this in February.

First Round

The main difference between parliamentary and presidential elections is that the latter are held in two rounds. It is highly improbable that everything will be decided in the first round. None of today's leaders can expect more than 25-30 percent of the vote (depending on the number of people who go to the polls). In view of the fact that Vladimir Zhirinovskiy, Grigoriy Yavlinskiy, Aleksandr Rutskoy, Aleksandr Lebed, and Boris Fedorov (who is almost certain to pull out of the race before the end), as well as others, probably will enter the race along with Mr. Zyuganov and representatives of the party in power, there is no possibility of a victory in the first round. We can only wonder who will still be in the running in the second round. Four possible pairs of winners warrant serious consideration: Zyuganov and Zhirinovskiy (a simple repetition of the last vote in the federal district); Zyuganov and Yeltsin-Chernomyrdin (based on the actual size of factions in the new parliament); Zyuganov and Lebed; and Zyuganov and Yavlinskiy.

The first of these may be possible, but it is highly improbable. The doubts of much of the population with regard to the possibility of a "reasonable choice between Zyuganov and Zhirinovskiy" (in Yegor Gaydar's words) will force people to vote in a purely pragmatic way—for the strongest anticommunist party—instead of on the basis of personal preferences. For the same reason—the misgivings about a "reasonable choice," Yavlinskiy also has little chance (at least today) of staying in the race for the second round. The chances of Aleksandr Lebed will depend on how quickly he can put together a team and on what kind of team it will be. There are no presidents without teams.

Second Round and Finale

The strongest possibility, therefore, is a run-off election between Zyuganov and someone else (Yeltsin, Chernomyrdin, Yavlinskiy, or Lebed). We can exclude Zhirinovskiy on the strength of historical optimism.

The elections will not be valid unless at least 50 percent of all the registered voters plus one more person go to the polls in the first round. Judging by the tendency the parliamentary elections revealed, we can expect a strong voter turnout. The best thing (in the legal sense) about the second round, however, is that there is no such limit. In theory, three people could go to the polls and elect a president by a majority vote.

If we add up all of the votes in support of the procommunist parties and the parties close to them, they represent around 24 million of the almost 68 million people who cast a ballot in the last elections (see table [not reproduced]). Clearly, this electorate is extremely resolute. In the hope of changing its future, it will support its leader not only in a second round, but possibly even beyond this. The active anticommunist electorate is much smaller—around 10 million people. It is most likely that they will also vote in the run-off election, but what will the rest do? In particular, what will the supporters of the defeated Zhirinovskiy do? Will most of them stay away from the polls? Will they come to vote for Zyuganov and help him garner another 5-6 million votes? How will the votes of those who supported the other 30 election associations be distributed? All of these questions are for the voters or the electoral commissions. The questions for the candidates who want to decide Russia's future are eternal questions, and it is would be awkward to bring them up at this time. They are so exhausted.

P.S. Many assumptions have been made in this article, and the main one is the assumption that the elections will be held.

Russia: Primakov Appointment Pondered

964F0842A Moscow LITERATURNAYA GAZETA in Russian 17 Jan 96 No 3, p 9

[Article by Denis Molchanov, editor of LITERATURNAYA GAZETA's International Problems Department: "The New Head of the Russian Federation Ministry of Foreign Affairs Suits Just About Everyone Because He Is Tied Hand and Foot"]

[FBIS Translated Text] As was to have been expected, the choice of candidate for the post of minister of foreign affairs of Russia made by President Yeltsin has left few people unhappy. Academician Yevgeniy Primakov, until recently director of the Foreign Intelligence Service, today, in January 1996, suits just about everyone as head of the Russian Federation Ministry of Foreign Affairs.

As distinct from the last no-lose appointee, Yuriy Skuratov, who was unanimously confirmed by the Federation Council for the position of general prosecutor of Russia largely because he was almost a complete unknown, Primakov is no "dark horse." In addition, he has spent so many years in politics that, according to logic, he should have evoked disputes, but not at this time. Not five months before the elections.

His biography is a blend of merits (they are, in fact, shortcomings) which suit splendidly both left and right and the center. An academician, but one who has spent his whole life in practical work, a candidate-member of the CPSU Central Committee Politburo, but not a party functionary, a journalist, scholar, intelligence officer.... The fact that it is hard to define his political views with a single label may be attributed to Primakov's pluses also. In the customary understanding of these words Yevgeniy Maksimovich is not a "democrat," not a "conformist," not a "communist," and certainly not a "liberal." He is the height of caution in his remarks and, as the head of Russian intelligence for the past four years, did not once afford journalists a pretext for catching him in some political predilections.

The possibility of remaining silent, though, which Primakov enjoyed in the time of his sojourn on the outskirts of Moscow, in Yasenevo, in the residence of director of the Foreign Intelligence Service, will hardly continue after his move to a center of the capital's political life—Smolenskaya ploshchad. So the journalists who had gathered last Friday for the first news conference of the new minister at the Russian Federation Ministry of Foreign Affairs Press Center thought.

There was nothing sensational. Yevgeniy Primakov did not heap dirt on Andrey Kozyrev and did not acknowledge himself to be personally devoted to Boris Yeltsin. He assiduously skirted all hidden reefs in the journalists' questions and was not "taken in" on a single topic of domestic policy. In a five-minute preamble the new head of the Ministry of Foreign Affairs said all that he wanted to say, namely, that he considers the main area of his work defense of the country's national interests and the restoration of Russia's status as a great power. Primakov sees as the ministry's strategic objectives activity to maintain the territorial integrity of the state, the stimulation of centripetal trends within the CIS ("we are not talking about a restoration of the USSR," Yevgeniy Maksimovich stipulated) and the stabilization of international relations at the interregional level, and the prevention of the creation of new focal points of tension in the world—particularly considering the fact that certain states have weapons of mass destruction. The remaining 40 minutes of the meeting with the press added virtually nothing to what has been said. Here is his virtually verbatim dialogue with LITERATURNAYA GAZETA:

"It is perfectly possible that you will have to relinquish your ministerial authority as early as this June. It is known that you had a hard time agreeing to take the position. How did Boris Nikolayevich persuade you, and how do you personally explain your decision?"

"Thank you for the forecast. Truly, it was not an easy decision for me. Largely because the years I spent in intelligence, and I was in charge of it for four years and four months, were, perhaps, the best years of my life. The post of minister of foreign affairs means great responsibility. I assented to this—if only for a short time."

No one was expecting sincere answers, of course. But Primakov managed to create the feeling—and the journalists were imbued with this feeling—that, despite all Boris Yeltsin's statements concerning the continuity of foreign policy in Russia, our state will henceforward be conducting foreign affairs differently.

It would be remarkable were confidence in his own powers really to be behind the new minister's words: "I advocate equal, I stress, equal partner relations with the West." But if it is considered that Primakov is firmly guaranteed only half a year's tenure of office, it is unlikely that he will be able in so short a segment of time to undertake anything fundamental, particularly in the absence of a concept of Russia's national security.

It would be distressing were Yevgeniy Primakov's experience and knowledge to take the form merely of several pretentious foreign policy actions so essential to the president on the eve of elections. Such a development of events is perfectly possible, for not a single serious step in the direction indicated by the minister is conceivable without entry into a degree of confrontation with the West—an unacceptable situation for Yeltsin, who so treasures his friendship with Clinton, Kohl, and so forth.

It is no secret that the views of politicians of the United States and Europe on the idea of reintegration within the CIS and, say, on Russia's participation in the resolution of regional conflicts are contrary to Moscow's interests. And whereas in recent years our Foreign Ministry has for objective reasons closed its eyes to this, by which it has evoked our "partners'" approval, Russia's abrupt change in its line of behavior stimulated by Primakov (assuming that he assents to this) would signify an immediate cooling of our relations with the world....

There are further grounds for pessimism. The situation within Russia has not become any the simpler with Andrey Kozyrev's departure from the post of minister of foreign affairs. As before, the war goes on in Chechnya, the value of the national currency is falling, the economy is in crisis, social problems continue to be ignored, the Army is demoralized, and the Kremlin's edicts operate only inside the Moscow beltway. It is easy to predict what attempts to "revive the greatness of Russia" will result in under these conditions—when a person suffers acute hypertension, the blow of a fist on a table could mean a simply dismal end for him.

So it could perfectly well be that the sole result of the change of leader of Russia's Ministry of Foreign Affairs will be the mere "feeling" that changes are under way or, at least, possible. On the eve of the elections—if they are, in fact, held—this is sufficient for the Kremlin.

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*Russia: Emergencies Minister Shoygu Interviewed

964E0451A Moscow IZVESTIYA in Russian 28 Dec 95 p 5

[Interview with Sergey Kuzhugetovich Shoygu, minister of civil defense, emergencies, and natural disasters, by correspondent Valeriy Yakov; date and place not given: "There Is No Danger of Apocalypse in Russia in the New Year"]

[FBIS Translated Text] Rescue Worker Day was officially instituted on 27 December by presidential edict. Judging by all indications, this profession has recently become one of the most essential in our country. There were around 1,500 major emergencies in Russia this year, in 1995. Tens of thousands of victims, thousands of deaths, and trillions of rubles in damages were the sad results of these emergencies. Many of them could have been avoided, however, if people had paid attention to the predictions of experts from the MChS [Ministry of Civil Defense, Emergencies, and Natural Disasters] before the disasters instead of after them.

An Essential Service

Just five years ago the country did not have a single state agency handling all types of disasters—from a pipeline leak to a train wreck. Each firm usually responded to its own emergencies with its own services. Russia was already on the threshold of radical changes, however, and the authorities unexpectedly arrived at the wise conclusion that these could create a serious need for emergency management experts. The Russian Rescue Corps was established in December 1990. It was headed by Sergey Shoygu, a 35-year-old structural engineer. He was young, but he already had an impressive career. He had a series of demanding jobs to his credit—site engineer, shop foreman, administrator of the "Sayantyazhstroy" Trust, and deputy chairman of the Russian State Committee for Construction. He responded with enthusiasm to the offer to head the new service, entered a special competition and won it, and had to fly to the scene of an emergency just a few days later. At that time there were only two members of the staff—Shoygu himself and his deputy, Yuriy Vorobyev. They sent the first rescue squad to the mountains at their own expense....

The Rescue Corps soon became the State Committee for Emergencies, and in January 1994 it became the Russian Federation Ministry of Civil Defense, Emergencies, and Natural Disasters. Today the MChS has more than

30,000 personnel, its own troops (the former civil defense forces), its own rescue equipment, its own aircraft.... This sounds impressive, but if we remember that almost all life in the country is gradually turning into an endless series of emergencies, we can see how necessary this is.

Stable Instability

[Yakov] Sergey Kuzhugetovich, December literally overwhelmed us with an unprecedented number of airline disasters. Planes and helicopters were crashing almost every day in the beginning of the month, and the press revived the theme of the apocalypse that is supposedly approaching along with the end of the century. Do you have the same explanation for the intensity of these emergencies?

[Shoygu] It is true that we have never experienced airline disasters of such intensity, but we do not have to look for a mystical explanation. Do you remember how many new airlines were established in the country in recent years? Hundreds! This might be a normal process, just as, for example, the colossal initial number of new banks and stock exchanges.... Eventually, only the strongest of these will survive and become firmly established, but the whole process should have been accompanied by stricter control over the observance of flight safety regulations, and this was not done.

As far as the end of the century is concerned, the impression of impending chaos proves to be deceptive if we look at statistics. Judge for yourself: There were 35 airline disasters in Russia in 1991, 33 in 1992, 17 in 1993, 20 in 1994, and 17 in 1995 as of 25 December. Furthermore, whereas 349 people died in the 17 disasters in 1993, this year there were only 243 deaths.

The perceptible rise in intensity toward the end of the year, however, is a matter of serious concern. Is there a solution? First of all, mandatory and strict licensing procedures should be instituted for all airlines. Second, there should be a state program for the renewal of the aircraft fleet. All of this is already being done, but it is taking too long.

[Yakov] On the other hand, it could be said that other people's misfortunes are advantages for you, because your agency gets a chance to prove itself and your people gain experience.

[Shoygu] I would never say that we welcome emergencies as new opportunities to test our skills, but I cannot deny that each rescue operation adds to our experience.

[Yakov] Were there many more emergencies this year than in 1994?

[Shoygu] The highest numbers were recorded in 1992 and 1993. The situation has stabilized somewhat in the last two years. Regrettably, however, the scales of emergencies increased dramatically in 1995. Remember the floods all over Russia—the worst in decades—and the Kuriles and Neftegorsk? The number of human victims is simply incomparable to the numbers for previous years.

[Yakov] I believe there were also losses in your own ranks.

[Shoygu] This year we lost six people. Three young men—two officers and a soldier—died when they were defusing an aircraft bomb. Another, a colonel, died in Ingushetia. And then there were the mountains. Those mountains....

[Yakov] You have your own forecasting service. It probably has already issued its forecasts for 1996.

[Shoygu] I would not even try my hand at earthquake prediction, but we do still expect severe shocks on Kamchatka and in the Transbaykal and North Caucasus.

The locks on the canals in the European part of Russia are in terrible shape. We will insist on their thorough reinforcement in 1996. We are disturbed by the condition of pipelines. The equipment will have to be replaced in many locations if we want to avoid major spills. Many of our junkyards and slag heaps represent a serious hazard.

I have to say, however, that we do not expect any dramatic increase in accidents. I see nothing good in our new practice of frightening ourselves. There will be no apocalypse, as you called it, at least not in 1996. In the end of January or the beginning of February we will be submitting the first all-Russian program on the general level of safety in the state to the government.

Ksyusha of the MChS

[Yakov] Sergey Kuzhugetovich, although you are only 40, you are a relative old-timer in the government. You were invited to join it by Silayev, whom everyone has already forgotten. Do you sense someone breathing down your neck—a contender for your seat?

[Shoygu] I have no time to think about this.

[Yakov] But how would you explain the strange fact that when people in many agencies were being removed from office, replaced, and sent into retirement or were expected to be replaced, there was no gossip about you and your seat? Have you tried to think of an explanation?

[Shoygu] I have not even tried. I do know something else: If we make any major errors, I will not wait for a superior to advise me to leave.

[Yakov] If the new Duma decides to put its own person in this seat, what will you do?

[Shoygu] I will not be unemployed, but I have no "backup plan" at this time.

[Yakov] Is there any truth to the rumors that the main reason for your immunity is that you are the president's protege and one of his favorites?

[Shoygu] This question probably cannot be answered by anyone but the president himself. I have the greatest respect for him, and I carry out all of his instructions, because that is what I am supposed to do.

[Yakov] Do you have difficulty getting an appointment with him?

[Shoygu] He is the head of state, and it would be wrong to bother him unnecessarily, especially when there is a chance that decisions can be made on other levels. If there is a serious need, however, I can see the president.

[Yakov] In contrast to other agencies, you have established a unique relationship with the press. You allow journalists to accompany rescue personnel to virtually all disasters. Is this an attempt to maintain friendly relations to stave off criticism, or are you confident that your people will do their work so professionally that there will be no reason for criticism?

[Shoygu] You are wrong on both counts. It is simply that one of our functions is to provide the population with objective information, in order to avoid panic and false rumors. Just imagine what would happen if we kept reporters out of a disaster zone and did not allow them to see the scales of the disaster and the number of victims with their own eyes.... How would we handle the rumors later? This accessibility, therefore, is in the public interest, and not in the ministry's interest.

[Yakov] On a strictly personal level, are you tired of dealing with all of these disasters?

[Shoygu] Utterly. No one could ever get used to the kind of misery we see all of the time.

[Yakov] Your eldest daughter is a student in the Psychology Department of Moscow State University. Do you and she have political arguments?

[Shoygu] No, I feel that she is entitled to her own views and political convictions.

[Yakov] Does she criticize you for the work you do?

[Shoygu] The only criticism is that I am rarely at home.

[Yakov] Does your youngest daughter know what her father does for a living?

[Shoygu] She will be five in January. She is the same age as the ministry, so my present position is the most natural thing to her. Until recently she even introduced herself as "Ksyusha of the MChS."

[Yakov] Do you carry a gun?

[Shoygu] Sometimes. I usually do not.

[Yakov] Do you live in a mansion?

[Shoygu] I live in the home I was assigned after eight moves from one city to another and after two years in the government and two years of living in a hotel.

[Yakov] Is it in the center?

[Shoygu] Yes, it is inside the green belt. I had to borrow money from friends to pay for the renovations.

[Yakov] Have there been any threats against your person or your life? Have you received threats by phone or by mail, or have investigations turned up evidence of threats?

[Shoygu] You already know the answer, and who can escape them today, especially after working in "hot spots"?

[Yakov] You are often accused of making too many offers of help abroad at a time when Russia has enough problems of its own.

[Shoygu] I know this sounds trite, but does any real tragedy have official state borders or a nationality? The people we help today will help us tomorrow.

Russia: Barsukov Press Conference on Kizlyar

96UM0157A Moscow KRASNAYA ZVEZDA in Russian 23 Jan 96 p 1

[Report on press conference given by FSB Director Mikhail Barsukov and RF Minister of Internal Affairs Anatoliy Kulikov, by KRASNAYA ZVEZDA correspondent Petr Karapetyan; place and date not given: "After Kizlyar and Pervomayskoye, It Was Yaroslavl and Moscow's Turn"]

[FBIS Translated Text] Last Saturday, FSB [Federal Security Service] Director Mikhail Barsukov and RF Minister of Internal Affairs Anatoliy Kulikov—the officials in charge of the operation on freeing the hostages in Pervomayskoye village—held a press conference. After expressing condolences to the families of the Russian citizens who died in the battle with bandits, they recited the sequence of events.

According to Anatoliy Kulikov, Salman Raduyev's group included commandos from Nozhay-Yurtovskskiy, Gudermesskiy, and Naurskiy rayons in Chechnya. In the battle of Pervomayskoye, Raduyev's brother and his adjutant were killed; Raduyev's own whereabouts were being checked out.

FSB Director Mikhail Barsukov said that the core of Raduyev's group was comprised of so-called "irreconcilables"—that is, people whose hands are covered in blood up to the elbow and who cannot count on amnesty. All in all, according to FSB data, Dudayev has about 1,000 such commandos. The composition of these groups is known. One of them, in the village of Gordeli, consists of Salman Raduyev's five brothers and several of his relatives—the "Raduyev clan," as the FSB director put it. Both Mikhail Barsukov and Anatoliy Kulikov believe that the operation was a success. Most of the hostages were freed with minimal (alas, inevitable in this sort of operations) losses, while Dudayev lost a large number of his elite commandos. "The Chechen commandos got a graphic demonstration of what awaits them if they undertake another reckless gamble." According to the FSB, the irreconcilables were preparing other actions in Moscow and Yaroslavl, but through certain operational measures this threat was prevented.

An objective analysis of the events in Pervomayskoye and Kizlyar is still to be conducted, but some questions have already been answered today. It is obvious that Dudayev conceived the terrorist act in Kizlyar as a revanche of sorts for political defeat in the elections.

Why Salman Raduyev Moved on Kizlyar

According to Mikhail Barsukov, Salman Raduyev was carrying out Dzhokhar Dudayev's famous directive that "it is necessary to move the heat of war to the North Caucasus." It was known that Dudayev had long been preparing terrorist action in Dagestan. Why there of all places? Dagestan is a multiethnic republic; in Dudayev's reckoning, one spark is enough to ignite a fire there. The choice of Kizlyar was not accidental either. The city is located on the border with Chechnya. A large community of Akints Chechens resides here, and there are many refugees from Chechnya in Kizlyar. Large quantities of arms had been stored in advance in the city. Had Dudayev's calculations turned out to be correct, Russia would have gotten another "hot spot," similar to that in the Ossetian-Ingush zone.

It has already been established that not long before Raduyev's raid, about 200 of his supporters had filtered into the city under the guise of refugees. They took the most active part in the subsequent events. There is a possibility that some were later moved into the category of "hostages." In any case, Mikhail Barsukov pointed out, it was strange to see how, during the transfer from Kizlyar (the convoy consisted of 11 buses and two trucks), the "hostages" joyfully waved Dudayev banners and praised his commandos.

After the failed attack on air fields, Raduyev and his gang seized the hospital and began to shepherd there local residents from nearby apartment houses. Aleksandr Kulikov found it necessary to read to journalists at this point a quote from the material of KOMSOMOLSKAYA PRAVDA correspondent Aleksandr Yevtushenko, in which the author maintains that federal troops allegedly purposely provided Raduyev with a corridor that took him directly to the hospital. The minister of internal affairs called this contention cynical and pointed out on a map that Raduyev could have moved in several directions from the air field but chose precisely the city hospital as a target for his attack.

Mikhail Barsukov and Anatoliy Kulikov said that the leadership did not rule out the "Budennovsk option" in resolving the situation, but later, after consultations, a decision was made to reject it, since it would have freed the criminals to engage in other, even harsher actions. The bandits, buoyed by the "success" in seizing the hospital, keep making increasingly tougher demands.

The Dagestani leadership acted very energetically. Seven ministers volunteered as hostages; tremendous work was done in providing support during negotiations with the bandits. The Dagestani police, from the minister of internal affairs to rank and file policemen, were at their best and actively participated in the action against the terrorists.

Why Raduyev Chose To Go Through Pervomayskoye

When the agreement was reached that the convoy carrying hostages and commandos would leave Kizlyar, Salman Raduyev himself chose a route to Chechnya through Pervomayskoye. Not accidentally, as was later established. In Sovetskoy and Terskoy villages, populated mostly by Chechens, preparations were underway to meet him. It is obvious that in working out the plan for the Kizlyar operation, Raduyev thought through every eventuality, down to the smallest detail, and prepared in advance a retreat route through Pervomayskoye. It even included a scenario under which residents of Sovetskoye and Terskoye would offer, as a goodwill gesture, to establish a "living corridor" through which the commandos could return to Chechnya. As is known, the villagers did propose such a scenario to the federal forces' command, but it was rejected.

In Pervomayskoye a real threat to the hostages' lives emerged, as evidenced by the people who escaped from their captors. The need for the federal group to take decisive steps became obvious.

Why the Operation Lasted So Long

The operation in Kizlyar and Pervomayskoye took 10 days. Why so long? Mikhail Barsukov said that there had never been an incident similar to Pervomayskoye in world practice. Therefore, Barsukov said, we did not have methods tested in international antiterrorist experience in precisely this kind of situation. The priority, as the FSB director put it, was placed on the hostages' lives and "minimal losses among federal forces." On the opposite side were people with extensive experience of military operations in "hot spots," including Afghanistan, and skilled in organizing and conducting modern general warfare.

The tactic that was chosen was that of wearing the opponent out, psychological warfare against him, fragmentation of his formations, and their liquidation. We were prepared for the possibility that the commandos would break through, said Barsukov. The use of three Grad systems by federal troops was part of the psychological warfare against the enemy.

Preliminary Results of the Operation

About 300 commandos took part in the action. This is supported by intelligence data and the testimony of prisoners, including those who were used by Raduyev to fortify strong points in Pervomayskoye. Among the dead are 153 commandos, but this figure is being checked out. About 30 Dudayevites were captured, and 15-25 commandos managed to slip through. Of the 120 hostages, 82 were freed. The data on the rest are being checked out. On our side, 2,414 members of special FSB and MVD units, the 22d special-purpose brigade of the Ministry of Defense, and the 104th airborne troops division took part in the operation. Casualties: 26 killed and 95 wounded. In Kizlyar, federal troops' casualties amounted to nine dead. The FSB, MVD, and other federal agencies are working on preventing terrorist acts in the future. Concrete measures on implementation of these measures have been reported to President Boris Yeltsin.

Russia: Cost of Chechen Conflict Assessed

964F0862A Moscow ARGUMENTY I FAKTY in Russian Jan 96 No 4, p 6

[Article by Valeriy Virkunen: "What the War Is Costing"]

[FBIS Translated Text] It should be observed immediately that it is impossible to take account of the expenditure on troop operations, transport, fuel, gear, and munitions. They are not entered as open budget items and have been farmed out wholly to the Ministry of Defense.

The government planned to allocate Chechnya as a separate line entry R2 trillion in the budget for 1996. This proposal was not supported by the State Duma. The deputies approved expenditure of the order of R1.2 trillion, which will go for pay, allowances, and pensions to citizens of the republic. In addition, provision is made for the payment of R500 billion to those who have suffered as the result of the combat operations. Some R200 billion have been allocated from the highways fund for restoration of the road network.

As Vladimir Panskov, minister of finance, observed, this is the end of the "direct" money. A further R4 trillion for the restoration of living quarters, the social sphere, and other properties could be allocated from the state investment program for 1996. Approximately R6 trillion have been procured by scraping the barrel, as they say.

The simplicity of Oleg Lobov, secretary of the Security Council, who declared for all to hear that the government would channel R20 trillion into Chechnya, is somewhat discouraging against this background. Mr. Lobov evidently got somewhat carried away since, according to the presidential edict, provision is to be made for additional expenditure of a more modest sum—R16.2 trillion. But at whose expense? At the expense of doctors, students, and retirees? Meanwhile, the Ministry of Finance does not know the sources that will cover the said expenditure.

Of course, the funds allocated from the federal budget for the restoration of the Chechen economy are nowhere near comparable with the extent of the damage caused by the war. Groznyy—the third biggest city of the North Caucasus after Rostov-na-Donu and Krasnodar—has been more than 50 percent destroyed. Approximately 400,000 persons of various nationalities lived here before the war. Many other localities, the city of Gudermes particularly, have suffered considerably. No government institutions can give the precise scale of the devastation.

According to expert estimates, even with satisfactory funding the restoration of the properties in the Chechen Republic destroyed by the Russian Army would take no fewer than five years.

The revival of industry, transport, housing, and the infrastructure will require no fewer than R100 trillion. But full-scale restoration operations can begin only after a complete cessation of hostilities.

Russia: Pickets Demand End to Chechnya Actions

964F0816A Kazan RESPUBLIKA TATARSTAN in Russian 18 Jan 96 p 1

[Unattributed TATAR-INFORM article: "The Tatar Public Center Has Its Own Emphases...."]

[FBIS Translated Text] On 17 January, at the walls of the Kazan Kremlin, the Tatar Public Center posted pickets with the demand to cease military operations in Chechnya.

The picketers stood at the entrance to the Kremlin and displayed placards with slogans and phrases in defense of the Chechen commandos. The Tatar Public Center made a political statement regarding the tragic events in Kizlyar and Pervomayskoye, in which the responsibility for the fact that the war had crossed Chechnya's borders was imputed to the Russian power structures. They, in the opinion of the Tatar Public Center, had in premeditated fashion lured Salman Raduyev's group into Kizlyar, giving him the opportunity to seize the hostages. This led to the letting of innocent blood in Dagestan as well.

The Tatar Public Center called upon the president of Tatarstan "to address a request to the president of Russia immediately to cease military operations in the North Caucasus and to withdraw Russian troops from Chechnya."

Russia: Parliament Reacts to Chechnya Events

964F0816B Kazan RESPUBLIKA TATARSTAN in Russian 18 Jan 96 p 1

[Unattributed article from the press center of the Republic of Tatarstan State Soviet: "At the Session of the State Soviet of Tatarstan"]

[FBIS Translated Text] On 17 January, the first meeting was held of the spring session of the standing parliament.

The State Soviet Presidium proposed that four draft laws be considered at this session. At the suggestion of the people's deputies, several more issues were included on the agenda. As a result, it was approved in the following form:

1. On the draft Law of the Republic of Tatarstan "On Production and Consumption Waste."

2. On the draft Law of the Republic of Tatarstan "On Administrative Liability for Violations of the Law in the Area of Communications and Information."

3. On the draft Law of the Republic of Tatarstan "On the Status of Certified Investment Projects With the Participation of a Foreign Investor."

4. On the draft Law of the Republic of Tatarstan "On the Introduction of Amendments and Additions to the Law of the Republic of Tatarstan 'On Fire Safety.'"

5. On measures adopted by the Government of the Republic of Tatarstan, ministries, and departments for guaranteeing ecological safety of the Republic of Tatarstan in connection with the accident on the oil pipeline in Bashkortostan.

6. With regard to the events in the North Caucasus.

7. Miscellaneous.

First to be considered was the draft law on production and consumption wastes, which was introduced by the minister of environmental protection and natural resources of the Republic of Tatarstan, A.I. Shchepovskikh. Taking part in the debates were deputies M.M. Kurmanov, A.G. Akhatov, A.A. Kolesnik, A.V. Aleksandrov, and S.K. Oskolok.

The draft law was passed in its first reading. Before 1 March, it will be prepared for consideration in its second reading. By that time a state program must be presented to the State Soviet on the elimination of production and consumption wastes, because without one, in the opinion of the deputies, it would be impossible to pass the law.

The report on the draft law on administrative liability for violations of the law in the area of communications and information was given by First Deputy Minister of Communications of the Republic of Tatarstan A.I. Pyshkin. The draft law was passed in its first reading; it will be completed before 17 March.

The draft law on the status of certified investment projects with the participation of a foreign investor, after consideration of amendments, was passed in toto. Also passed was a State Soviet decree on its entrance into force from the day of its publication.

The draft law on introduction of amendments and additions to the law of the Republic of Tatarstan "On Fire Safety," introduced by the chairman of the commission on issues of legislation, legality, law and order, and deputy ethics, R.G. Vafizov, was passed in its second reading.

Minister of Environmental Protection and Natural Resources of the Republic of Tatarstan A.I. Shchepovskikh gave a report on measures adopted by the Government of Tatarstan after the accident on the oil pipeline in Bashkortostan. This issue was included on the agenda at the initiative of Deputy A.A. Kolesnik. The minister answered the deputies' numerous questions. Then a discussion took place, in which A.G. Akhatov, A.A. Kolesnik, M.G. Sabirov, and S.K. Oskolok took part. A State Soviet decree was adopted on this issue.

A.A. Kolesnik and A.G. Akhatov addressed a deputy inquiry to the prime minister of the Republic of Tatarstan on the consequences of this accident for Tatarstan, and also on measures taken by the ministries (departments) to avert such accidents and to guarantee the population's safety. As is evident from the inquiry, the minister's information did not satisfy these deputies.

At the suggestion of Deputy F.Sh. Safiullin, Deputy Prime Minister I.K. Khayrullin spoke at the session; he spoke about the preparatory work on the creation of a Tatarstan Humanities Institute, based at the Kazan State University. A decree on the creation of such an institution of higher learning was passed by the State Soviet at its fourth plenary session.

The general director of the state concern Kamgesenergostroy spoke about the work of builders from Naberezhnyye Chelny on the restoration of housing and other facilities in Groznyy. This report was made at the suggestion of the Deputy F.G. Shaymardanov.

Several people's deputies at once came forward with a proposal to express their attitude toward the events in the North Caucasus. This issue was entered into the agenda in F.Sh. Safiullin's formulation. At the suggestion of V.N. Likhachev, a commission was created, which by the end of the day proposed for the deputies' attention the text of the statement of the State Soviet in connection with the military events in the North Caucasus in January 1996, and also the draft decree "On the Legislative Initiative on the Introduction of an Addition to the Constitution of the Russian Federation and a Change to the Law of the Russian Federation 'On Defense,'" with amendments whose passage would preclude the use of the Armed Forces on the territory of the Federation. Members of the commission, headed by Deputy State Soviet Chairman R.M. Kharisov, are Deputies R.G. Vagizov and S.A. Brusov, head of the legal directorate Sh.Sh. Yagudin, and adviser to the chairman of the State Soviet V.G. Nuriakhmetov. The draft statement was discussed and assumed as a basis. Work on it and on other documents will be continued.

The session was conducted by Chairman of the State Soviet V.N. Likhachev.

On 18 January, the session will continue its work.

*Russia: Edict Regulates Use of Information Gathering Equipment

964E0491A Moscow ROSSIYSKAYA GAZETA in Russian 17 Jan 96 p 4

[Edict: "Edict of the President of the Russian Federation, 'Measures To Regulate the Development, Production, Sale, and Purchase for Purposes of Selling, Importing Into or Exporting Out of the Russian Federation, as Well as the Use of Special Technical Equipment Intended for the Secret Obtaining of Information'"]

[FBIS Translated Text] In conformity with Federal Law entitled "Operational-Investigative Activities," and taking into consideration the need to carry out measures aimed at regulating the development, production, sale, and purchase for purposes of selling, importing into and exporting out of the Russian Federation, as well as the use of special technical equipment intended for the secret obtaining of information, by individuals and legal entities who have not been authorized to carry out operational-investigative activities, I decree:

1. The RF Federal Security Service is to be given the following responsibilities:

— the licensing of the activities of individuals and legal entities who have not been authorized to carry out operational-investigative activities (hereinunder, unauthorized individuals), that are linked with the development, production, sale, and purchase for purposes of selling, importing into and exporting out of the Russian Federation, of special technical equipment intended for the secret obtaining of information, as well as the certification, registration, and accounting of that special equipment;

— the revealing and the discontinuing of instances of conducting operational-investigative measures and the use of special and other technical equipment that has been developed, adapted, or programmed for the secret obtaining of information, by unauthorized individuals;

— the coordination of the work performed by the operational subdivisions of agencies carrying out operational-investigative activities in conformity with Federal Law "Operational-Investigative Activities," to reveal violations of the established procedure for developing, producing, selling, and purchasing for purposes of selling, importing into and exporting out of the Russian Federation, of special technical equipment intended for the secret obtaining of information, by unauthorized individuals.

2. The RF Federal Security Service, within the period of one month, is to submit to the RF Government:

— recommendations concerning the procedure for licensing the activities of unauthorized individuals that are linked with the development, production, sale, and purchase for purposes of selling, importing into and exporting out of the Russian Federation, of special technical equipment intended for the secret obtaining of information, as well as the procedure for certification, registration, and accounting of that special technical equipment;

— a list of the types of special technical equipment intended for the secret obtaining of information in the process of carrying out operational-investigative activities.

3. The RF Federal Security Service is to prepare and submit in the established procedure within the period of two months recommendations that have been coordinated with the interested federal agencies of state authority concerning the introduction into federal legislation of amendments and additions that stipulate the establishment of the responsibility borne by unauthorized individuals for violating the established procedure for the development, production, sale, and purchase for purposes of selling, importing into or exporting out of the Russian Federation, as well as the use of special technical equipment intended for the secret obtaining of information.

4. This Edict goes into effect on the day of its signing.

[Signed] B. Yeltsin, president of the Russian Federation

Moscow, the Kremlin
9 January 1966
No. 21

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*Russian Justice Minister on Fostering Law, Order in Chechnya

964E0491B Moscow ROSSIYSKAYA GAZETA in Russian 17 Jan 96 pp 1,7

[Interview with V. Kovalev, by Tamara Gromova: "Valentin Kovalev, RF Minister of Justice: 'Even in Chechnya the Law Is Supreme'"]

[FBIS Translated Text] **On Monday RF Minister of Justice Valentin Kovalev presided at a joint session of the RF Security Council's Interdepartmental Commission for Public Security and the Fight Against Corruption, and the Provisional Observation Commission for Observing the Constitutional Rights and Freedoms of the Citizens. The participants discussed what is probably the most acute question today — the state of constitutional legality and law and order in the Chechen Republic.**

What are the prospects for the peaceful settlement of the Chechen crisis, what decision has been made on the basis of the results of discussion by authoritative commissions — these and other questions were directed at the minister immediately after the session. The first question, of course, is linked with evaluating the events in Kizlyar and in the Dagestan village of Pervomayskoye.

[Kovalev] I see two aspects of these events — the legal and the moral-ethical. As for the legal aspect, there exists the constitutional principle of the irreversibility of responsibility and punishment, which principle — if you will forgive me for the dryness of the legal formulation — whenever signs of a crime exist, must be observed strictly.. Moreover, there exist only five agencies that have the right, according to the law, to release individuals from criminal responsibility: the agency of inquiry, the investigator, the prosecutor, the judge, and the court. No other official or board-type agency can release the accused from criminal responsibility. That means that all the terrorists who committed the heinous crime in Kizlyar are subject to criminal responsibility. For me, that is indisputable.

The moral-ethical aspect of the dramatic events in the Caucasus lies in the fact that, despite the different evaluation of the Chechen crisis, it is necessary to recognize the obvious: the Chechens are a proud and brave nation. Shooting unarmed persons, women, and children is not in that nation's traditions. A Chechen would never take that step. Having made that decision, the terrorists thus put themselves outside of society and their own nation. From the moral point of view, I consider that circumstance to be the decisive one.

[Gromova] Was the Chechen topic discussed at your meeting with the RF President?

[Kovalev] Yes. We spoke about the activities of the Provisional Observation Commission For Observing the Constitutional Rights and Freedoms of the Citizens. I recall that the commission was created because, at the initial stage of the restoration of constitutional legality, as a result of the lack of any legitimate agencies of authority, there was no one to whom the legal rights and freedoms of citizens of the republic could be guaranteed. Incidentally, the members of our commission, in the literal sense, walked among the combat formations of the troops that had liberated the territory from the hit men. Currently, with the restoration of the operation of the law-enforcement agencies and the judicial system, the situation in Chechnya has changed. However, the President, placing a high evaluation on the commission's activities, instructed it to continue its work, at least until the creation of a local legislative agency — the Chechen parliament.

Already, after the recent election of the head of the Chechen Republic, the restoration of constitutional legality has changed over to a new stage: the problem is shifting to the level of an intra-Chechen dialogue. This is my position: it is necessary to involve in this dialogue all the political forces in the republic. Also operating actively in this direction is the Provisional Observation Commission that I head. The commission members have held a series of meetings with the spiritual leaders of the

Chechen Republic, representatives of the imamate, and the elders in the Muslin movement, who also feel that an intra-Chechen dialogue is necessary.

Of course, there is also a positive factor of international importance: since the end of December of last year, representatives of an OSCE group returned to Groznyy.

[Gromova] Currently people speak more and more frequently (and we know that this is not only words) about the restoration of the economy and the social sphere in the Chechen Republic. However, a large number of crimes that have been hindering the restoration process are being committed there...

[Kovalev] For a long time the republic and its economy were practically excluded from Russia's single legal and economic space. Nowadays steps are being taken to correct the situation.. We have already restored 415 kilometers of railroad bed, 12 bridges, 147 kilometers of communications, more than 50 kilometers of electrical transmission lines, five bakeries, and three TETs [heat and power plants]; eight diesel electric-power plants have been newly started up; and 10,000 square meters of housing have been erected.

Alas, there has been a constant increase in the number of attacks on construction workers, including those with the purpose of getting a ransom. The going rate is from millions of rubles to several hundred millions. In one sector of the North Caucasus Railroad alone, instances of mine-laying, arson, explosions of the road bed, and predatory attacks on the workers have resulted in the initiation of 26 criminal cases! The hit men are doing everything to disrupt the restoration of normal economic life in the republic.

During the first 11 months of last year more than 4500 crimes were committed on the territory of Chechnya, with 82 percent of them being heinous. The detection rate, alas, is extremely low: whereas in the Russian Federation its level is 65 percent, in Chechnya it does not even reach 29 percent. As for murders, their detection rate does not exceed 2.8 percent. Criminal cases have been initiated with regard to all instances of criminal encroachments. But for understandable reasons the investigation has been largely hampered.

[Gromova] What do you consider to be the basic reasons for the increase in the wave of crime?

[Kovalev] This is promoted by the large number of weapons that are in people's hands. According to information provided by the power ministries and departments, that figure varies from 45,000 to 70,000 firearms. Add to that the critical economic situation and mass unemployment. The result is obvious — the rapidly growing crime rate. Therefore, at the recent session, specialists deemed it necessary to form a permanent conference of the law-enforcement agencies of the Chechen Republic, that is, a kind of headquarters whose basic task is to coordinate the work of the power structures in suppressing criminal acts in Chechnya. It was also decided to strengthen the protection of a number of projects in the national economy, transportation hauls, and projects that have a danger of explosion or are ecologically complicated. There will also be a comprehensive audit of the ministries and departments that have expended on the territory of the Chechen Republic the funds that are being channeled into the restoration of the economy and the social sphere.

[Gromova] Who will consider the cases of individuals who have voluntarily handed over their weapons, and by what criteria?

[Kovalev] In conformity with the 1 December 1995 Edict of the President of the Russian Federation, entitled "Legal Guarantees For Participants in Illegal Armed Formations in the Chechen Republic Who Have Voluntarily Discontinued Their Illegal Actions," a commission has been created and has begun its work —the Commission to Consider the Statements Made By Participants in Illegal Armed Formations on the Territory of the Chechen Republic Who Have Voluntarily Discontinued Their Illegal Actions, headed by Doku Zavgayev, head of the Chechen Republic. I want to emphasize especially: the decision to release people from criminal responsibility will be made only by the law-enforcement agencies. The commission, however, is empowered only to consider the statements made by those who voluntarily laid down their arms, that is, to create the prerequisites for enabling the law-enforcement agencies to make the correct and judicially substantiated decision concerning the refusal to initiate a criminal case. Any citizen of the Chechen Republic who has voluntarily handed over his weapon, even if he has committed illegal actions in the past, is able, in conformity with the country's Constitution, the amnesty act, and the 1 December 1995 Presidential Edict, to count on being released from criminal responsibility.

However, I view the embittered attitude of the pro-Dudayev extremists as the death pangs of that part of Chechen society, a society that has already been torn apart by contradictions for a long period of time. In my view, there exist in that society several political forces, each of which adheres to its own orientation. Therefore it is very important to organize a Chechnya-wide dialogue among the representatives of all the political and religious forces. There are more than enough prerequisites for this, both on the intra-Chechen level and on the level of the relations between the Russian Federation and the Chechen Republic. I do not see anything in this that contradicts the Constitution, inasmuch as the treaties between Russia and the individual subjects of the Federation have already become part of our political reality. I am convinced that this process can also be extended to relations with Chechnya.

Russia: Decision on Case Challenging Criminal Code

964F0834A Moscow ROSSIYSKAYA GAZETA in Russian 18 Jan 96 p 5

["Decision in the Name of the Russian Federation of the Constitutional Court of the Russian Federation: On Verification of the Constitutionality of a Number of Provisions of Clause 'A' of Article 64 of the RSFSR Criminal Code in Connection with the Petition of Citizen V.A. Smirnov", city of Moscow, 20 December 1995]

[FBIS Translated Text] The Constitutional Court of the Russian Federation composed of B.S. Ebzeyev, presiding, and Justices M.V. Baglay, N.V. Vitruk, G.A. Gadzhiyev, A.L. Kononov, Yu.D. Rudkin, N.V. Seleznev, O.I. Tiunov, and V.G. Yaroslavtsev,

with the participation of attorney I.L. Petrukhin, representative of the party that presented the petition in the Constitutional Court of the Russian Federation, and

guided by Article 125 (part 4) of the Constitution of the Russian Federation, clause 3 of part one and parts two and three of Article 3, clause 3 of part two of Article 22, and Articles 36, 74, 96, 97, and 99 of the federal constitutional statute "The Constitutional Court of the Russian Federation,"

considered in open court the case involving verification of the constitutionality of a number of provisions of clause "a" of Article 64 of the RSFSR Criminal Code.

The grounds for consideration of the case was a petition of Citizen V.A. Smirnov complaining of a violation of his constitutional rights and liberties by clause "a" of Article 64 of the RSFSR Criminal Code applied in his case.

The basis for consideration of the case was the uncertainty revealed in the matter of whether the contested provisions of clause "a" of Article 64 of the RSFSR Criminal Code establishing criminal liability for a betrayal of the motherland in the form of the passing of a state or military secret to a foreign state, flight abroad or a refusal to return from abroad, and assistance to a foreign state in the pursuit of hostile activity correspond to the Constitution of the Russian Federation.

Having heard the communication of reporting justice N.V. Seleznev, the explanation of the representative of the party that presented the petition, and the speeches of experts and a specialist and also of a representative of the General Procuracy of the Russian Federation invited to the session and having studied the material available, the Constitutional Court of the Russian Federation

established that:

1. The Penal Division of the Moscow Municipal Court on 26 October 1982 found Citizen V.A. Smirnov guilty of having committed a crime specified by clause "a" of Article 64 of the RSFSR Criminal Code ("Betrayal of the Motherland").

The appeal and subsequent petitions of V.A. Smirnov against the illegality and groundlessness of the verdict were dismissed. On 19 June 1991 the RSFSR Supreme Court Presidium, having considered the protest of the first deputy prosecutor general of the RSFSR, upheld the verdict, thereby confirming the conclusion as to the guilt of V.A. Smirnov in betrayal of the motherland expressed in a refusal to return from abroad, the passing of a state secret to foreign states, and assistance to them in the pursuit of hostile activity.

In his petition to the Constitutional Court of the Russian Federation the petitioner maintains that the said provisions of clause "a" of Article 64 of the RSFSR Criminal Code are contrary to a number of provisions of the Constitution of the Russian Federation concerning the rights and liberties of the citizens, do not accord with the generally accepted principles and rules of international law, and that, as a result of their application in a specific criminal case, his rights and liberties were violated, the consequences of which persist even at the present time.

2. The Constitution of the Russian Federation enshrines the sovereign statehood of Russia and the integrity and sanctity of its territory as a principle of the constitutional system (preamble and parts 1 and 3 of Article 4). Institutions of state power implement within their authority measures specified by the Constitution of the Russian Federation and federal laws to guard the sovereignty of the Russian Federation and its independence and state integrity and to provide for the defense of the country and the security of the state (Articles 71, 80, 82, 83, 87, 114, and others of the Constitution of the Russian Federation).

The citizen and the state in the Russian Federation are linked by mutual rights, responsibility, and obligations. While guaranteeing the rights and liberties of man and citizen and providing for his protection, the state simultaneously is entitled to establish in federal law qualifications of rights and liberties to provide for the country's defenses and the security of the state (part 3 of Article

55 of the Constitution of the Russian Federation) and to specify, included, criminal liability for actions performed deliberately to the detriment of the basic values of the constitutional system. A citizen's legitimate exercise of his constitutional rights and liberties may not be regarded here as being detrimental to the sovereignty of the Russian Federation, the country's defenses, and the security of the state or entail for him adverse legal consequences, in the form, specifically, of criminal liability for treason (betrayal of the motherland).

3. The petition of Citizen V.A. Smirnov contains a demand for the provision of clause "a" of Article 64 of the RSFSR Criminal Code, in accordance with which flight abroad or a refusal to return from abroad are categorized as a form of betrayal of the motherland, that is, as an action deliberately perpetrated by a citizen to the detriment of sovereignty, territorial sanctity, and defense capability, to be deemed unconstitutional. In the opinion of the petitioner, this provision contravenes Article 27 (part 2) of the Constitution of the Russian Federation.

According to Article 27 (part 2) of the Constitution of the Russian Federation, anyone may freely leave the Russian Federation; a citizen of the Russian Federation is entitled to return to the Russian Federation without hindrance.

The specification of the legal faculties constituting the substance of this right and the procedure and conditions of its realization are defined by the law of the USSR "Procedure of Departure From the Union of Soviet Socialist Republics and of Entry Into the Union of Soviet Socialist Republics of Citizens of the USSR," which, in accordance with Decree 4183-1 of the Supreme Soviet of the Russian Federation of 22 December 1992 "Implementation on the Territory of the Russian Federation of the Law of the USSR 'Procedure of Departure From the USSR and Entry Into the USSR,'" extended as of 1 January 1993 to the territory of the Russian Federation. This law specifies qualifications of the right to departure connected with the safeguarding of security and other interests protected by the state, but these qualifications are of a temporary nature and do not deprive a citizen of the actual right to freely leave the country and return to it without hindrance.

This provision accords with the determinations on the right of each person to leave any country, including his own, and on his being under no obligation to return to this country contained in clause 2 of Article 12 of the International Civil and Political Rights Pact and other international acts.

Qualifications of the right to freely leave the Russian Federation, as of any other constitutional right, are permissible for purposes strictly defined by Article 55 (part 3) of the Constitution of the Russian Federation. These qualifications may not be interpreted broadly and must not signify an impairment of other civil, political, and other rights guaranteed citizens by the constitution and laws of the Russian Federation or entail criminal liability for a flight abroad and a refusal to return from abroad categorized in accordance with clause "a" of Article 64 of the RSFSR Criminal Code as a betrayal of the motherland. An action specified by the contested provision may not, by virtue of the Constitution of the Russian Federation and also international treaties to which the Russian Federation accedes, be regarded as a crime endangering defenses, sovereignty, territorial sanctity, state security, or defense capability or serve as independent grounds for criminal liability for betrayal of the motherland.

4. The petitioner contests the constitutionality of another form of betrayal of the motherland also—the passing of a state or military secret to a foreign state—in connection with the fact that the blanket disposition of this provision includes lists of information constituting a state secret that are secret and therefore not accessible to the citizens. This provision, in his opinion, does not correspond to the constitutional requirements concerning the conditions and limits of regulation of the rights, obligations, and responsibility of the citizens, specifically, the requirement that no prescriptive legal documents affecting the rights, liberties, and obligations of man and citizen may be applied unless they have been published officially for general information (part 3 of Article 15 of the Constitution of the Russian Federation).

The freedom of thought and speech and the right of each to freely seek, obtain, transmit, produce, and disseminate information guaranteed in Article 29 of the Constitution of the Russian Federation may be exercised in any lawful manner. These rights and liberties of man and citizen may be qualified by federal law only to the extent necessary to, specifically, provide for the country's defenses and the security of the state.

Consequently, the state is entitled to classify this information or the other in the sphere of military, economic, and other types of activity whose dissemination could be detrimental to the country's defenses and the security of the state as a state secret. In this connection Article 29 (part 4) of the Constitution of the Russian Federation specifies that the list of information constituting a state secret shall be determined by federal law. The state shall be entitled also to determine the means and methods of the protection of a state secret, to establish, included, criminal liability for its disclosure and passing to a foreign state.

But by virtue of the said constitutional provision, criminal liability for the passing of a state secret to a foreign state is lawful only provided that the list of information constituting a state secret is contained in a federal law officially published for general information. A judgment in application of the law, including the verdict of a court, may not be based on a prescriptive legal document that has not been published, which ensues from Article 15 (part 3) of the Constitution of the Russian Federation.

Realization of the requirement of Article 29 (part 4) of the Constitution of the Russian Federation is supported by the law of the Russian Federation of 21 July 1993 "State Secret," which defines the concept of a state secret and indicates the information classified as a state secret.

Thus the establishment of criminal liability for the passing of a state or military secret to a foreign state does not conflict with the Constitution of the Russian Federation or its Articles 15 (p 3), 39 (part 4), and 55 (p 3).

5. V.A. Smirnov's petition raises the question of such a form of betrayal of the motherland as assistance to a foreign state in the pursuit of hostile activity against the Russian Federation also being found not to correspond to the Constitution of the Russian Federation in view of the uncertainty of the indications of this element of definition of a crime.

The establishment of criminal liability for betrayal of the motherland in the form of assistance to a foreign state in the pursuit of hostile activity against the Russian Federation deliberately perpetrated by a citizen to the detriment of its sovereignty, territorial sanctity, or state security and defense capability does not contravene the Constitution of the Russian Federation or its Articles 4 (parts 1 and 3), 55 (part 3), and 59 (part 1).

Determination of the degree of formalization of the indications of this crime or the other as a component of the law-making process is the exclusive competence of the legislator. The requisite explanations, however, on questions of the application of the rules of criminal legislation arising in judicial practice are given, according to Article 126 of the Constitution of the Russian Federation, by the Supreme Court of the Russian Federation.

On the grounds of what has been stated and guided by part one of Article 71 and Articles 72, 75, and 100 of the federal constitutional statute "The Constitutional Court of the Russian Federation," the Constitutional Court of the Russian Federation has decided:

1. To find the provision of clause "a" of Article 64 of the RSFSR Criminal Code categorizing flight abroad or a refusal to return from abroad as a form of betrayal of the motherland as not corresponding to the Constitution of the Russian Federation and its Articles 27 (p 2) and 55 (p 3).

2. To find the provision of clause "a" of Article 64 of the RSFSR Criminal Code categorizing the passing of a state or military secret to a foreign state as a form of betrayal of the motherland as corresponding to the Constitution of the Russian Federation.

3. To find the provision of clause "a" of Article 64 of the RSFSR Criminal Code categorizing assistance to a foreign state in the pursuit of hostile activity against the Russian Federation as a form of betrayal of the motherland as corresponding to the Constitution of the Russian Federation.

4. According to part two of Article 100 of the federal constitutional statute "The Constitutional Court of the Russian Federation," the criminal proceedings in respect to V.A. Smirnov in respect to the application of the provision of clause "a" of Article 64 of the RSFSR Criminal Code deemed by this decision to be unconstitutional is to be reviewed by the Supreme Court of the Russian Federation in the established procedure, unless there are other impediments to this.

5. According to parts one and two of Article 79 of the federal constitutional statute "Constitutional Court of the Russian Federation," this decision is final, is not subject to appeal, shall take effect immediately following its proclamation, and shall operate directly.

6. According to Article 78 of the federal constitutional statute "The Constitutional Court of the Russian Federation," this decision is to be published in the "Digest of Legislation of the Russian Federation" and ROSSIYSKAYA GAZETA and also in other official publications of institutions of state power of the Russian Federation. The decision is to be published also in VESTNIK KONSTITUTSIONNOGO SUDA ROSSIYSKOY FEDERATSII.

[Signed] Constitutional Court of the Russian Federation

No 17-II

Russia: Vitruk Criminal Code Case Dissension

964F0835A Moscow ROSSIYSKAYA GAZETA in Russian 18 Jan 96 p 5

["Dissenting Opinion of Russian Federation Constitutional Court Judge N.V. Vitruk in the Case on Verifying the Constitutionality of a Number of Provisions of Clause 'a' of Article 64 of the Criminal Code of the RSFSR in Connection With the Petition of Citizen V.A. Smirnov"]

[FBIS Translated Text] Verification of the constitutionality of a number of provisions of clause "a" of Article 64 of the Criminal Code of the RSFSR according to the petition of the citizen V.A. Smirnov may be accomplished on the basis of a preliminary answer to the theoretical question on the scope of the substance and the admissible boundaries of the exercise of citizens' constitutional rights, and on the possibility of their limitation. A citizen's constitutional rights are not limitless: Their content and the boundaries of their exercise are dependent upon their correlation with other constitutional rights and freedoms of the citizen and his constitutional obligations. Moreover, the rights and freedoms of man and citizen, according to part 3 of Article 55 of the Constitution of the Russian Federation, may be restricted by federal law to the extent that this is necessary with a view to defending the bases of the constitutional order, the morals and health and the rights and lawful interests of other persons, and the guarantee of the country's defense and the security of the state.

With a view to the rational concord and harmony of the interests of society, the state, and the individual, the legislator, in addition to determining the substance of constitutional rights, establishes the manner of their exercise. The aim of the procedural method of the exercise of rights consists in the assurance (guarantee) of the enjoyment of concrete benefits and values lying at the basis of the substance of the law. The procedural method for the exercise of a right can also act as a certain means for its restriction for a certain category of citizens. Restriction of the rights and freedoms of citizens may be accomplished through the exclusion of one or another possibility (authority) from the content of the right (freedom), and also by means of establishing a special procedure for its exercise. Let us observe this in the example of the constitutional right, established by Article 27 (part 2) of the Constitution of the Russian Federation: "All may freely travel outside the borders of the Russian Federation." The present constitutional provision conforms to the requirements of international-legal documents (part 2 of Article 13 of the Universal Declaration of Human Rights; part 2, Article 12 of the International Pact on Civil and Political Rights, and others). Exercise of a given constitutional right can depend on the citizen's fulfillment of his legal obligations. For example, a citizen cannot freely quit the boundaries of the Russian Federation if he is serving out a criminal sentence in the form of deprivation of liberty.

In conformity with the provisions of part 3 of Article 55 of the Constitution of the Russian Federation, the constitutional right of every person to travel freely beyond the borders of the Russian Federation may be restricted for a certain category of citizens through establishment of a special procedure for travel abroad, presupposing the obtaining of permission to leave and the possibility for denial of permission to leave on the part of bodies whose jurisdiction is travel abroad, in the presence of grounds established by law, or permission to leave on condition that the citizen perform certain obligations, for example, the obligation to return to the Motherland by a set date.

There is also a certain restriction of the right of all to freely travel beyond the country's borders in the establishment by other states of their own conditions and rules for entrance into their country (for example, obtaining a visa).

Citizen V.A. Smirnov's petition calls into question the constitutionality of the provision of clause "a" of Article 64 of the Criminal Code of the RSFSR according to which flight abroad and refusal to return from abroad to the Motherland, deliberately committed by a citizen to the detriment of the sovereignty, territorial inviolability, or state security or defense capability of the country, is regarded as an independent form of treason in view of the fact that, in the opinion of the petitioner, this provision contravenes Article 27 (part 2) of the Constitution of the Russian Federation, whose content was cited above.

The only thing that can be considered flight abroad is a citizen's leaving the territory of his country by illegal means, that is, crossing the border in violation of the rules of traveling abroad, and refusal to return from abroad to the Motherland in the criminal-law sense can exist only in cases of the operation of obligations of a citizen, for example, who possesses state secrets, to return to the Motherland by a set time, which could be defined, for example, by the period of a business trip abroad. Violation of the established rules of departure and return to the Motherland in cases where such an obligation to the state is present can be legislatively qualified as an administrative or criminal violation of the law, depending upon the degree of their public dangerousness. Such a qualification is implemented by the legislator at the constitutional or legislative level.

The question of the criminalization of flight abroad and refusal to return to the Motherland is not a subject for constitutional regulation, still less as an independent form of treason. An affirmative answer to this question was given by the legislators at the legislative level in the content of clause "a" of Article 64 of the Criminal Code of the RSFSR. However, judicial practice of the application of clause "a" of Article 64 of the Criminal

Code of the RSFSR has shown that the indicated actions—flight abroad and refusal to return to the Motherland—cannot exist de facto as an independent form of treason. The indicated actions form an organic part of other forms of treason (passing state or military secrets to a foreign state, rendering a foreign state assistance in the pursuit of hostile activity against the Russian Federation), in their objective sense. It was on this very position that the theory of criminal law in recent years has stood. Courts of general jurisdiction, in examining the present category of criminal cases, charged citizens with flight abroad and refusal to return to the Motherland as treason in the same class with other forms of treason. In this case, the courts of general jurisdiction were most likely guided in their actions by ideological and political circumstances rather than the principles and logic of the law, were acting as an instrument of the persecution of citizens for their political convictions. The Constitution of the Russian Federation, which stipulates the right of all to travel freely beyond the borders of the Russian Federation, does not negate, but presupposes the operation of Article 55 (part 3), establishing that the rights and freedoms of man and citizen may be restricted by federal law. The establishment of restrictions on the constitutional right of all to travel freely beyond the borders of the Russian Federation is admissible if they conform to the requirements of part 3 of Article 55 of the Constitution of the Russian Federation. On these grounds, also admissible is establishment of special legal obligations of citizens in the exercise of the constitutional right to freely quit the country, and also of the legal obligation to return to the Motherland for a particular category of person, one possessing, for example, state secrets. Determination of specific forms of legal violations for breach of obligation during the exercise of the constitutional right to freely leave the country, including criminalization and decriminalization of types of crimes, is not a matter for constitutional regulation, but constitutes the exclusive domain of the legislator and is decided by him at the legislative level. This provision applies in equal measure to the qualification of the passing of state or military secrets to a foreign state or rendering assistance to a foreign state in the pursuit of hostile activity against the Russian Federation as independent types of crimes or as independent forms of treason.

Proceeding from criminal law theory and from judicial practice, one can consider that the content of clause "a" of Article 64 of the Criminal Code of the RSFSR regarding flight abroad or refusal to return from abroad to the Motherland as an independent form of treason is imperfect and possibly even erroneous from the standpoint of legislative regulation of the given type of relations between the state and the individual, since in the present instance there is not the necessary clarity and distinctness in answering the question on the degree of public danger of the stated illegitimate actions of a special category of person. However, this question is not a matter for constitutional regulation.

From the standpoint of constitutional provisions, the legislator has the right to establish restrictions in the content and exercise of the constitutional right to freely leave the borders of the Russian Federation, as well as to establish a special procedure for the exercise of the given right, presupposing among other things the obligation to return from abroad to the Motherland for a special category of person. Exceeding the limits of the constitutional right to leave the country freely and violation of the procedure for exercise of the stated right, including of the obligation to return from abroad to the Motherland, may be declared by the legislator to be an administrative offense or a criminal felony, depending on the degree of public danger of the stated violation of the laws. This corresponds in full measure with the provisions of the existing Constitution of the Russian Federation.

The petition of citizen V.A. Smirnov calls into question the constitutionality of the provision of clause "a" of Article 64 of the Criminal Code of the RSFSR on passing state or military secrets to a foreign state on the grounds of the existence of normative and legal acts on information constituting a state secret unpublished for general information, which allows, in the opinion of the author of the petition, for criminal proceedings to be instituted for treason without guilt.

Part 4 of Article 29 of the Constitution of the Russian Federation establishes that the list of information constituting state secrets is determined by federal law, which, by virtue of the fact that it affects the rights, freedoms, and obligations of man and citizen, should be published officially for general information (part 3 of Article 15 of the Constitution of the Russian Federation). However, this requirement cannot be made absolute. It is well known that in practice pieces of subordinate legislation are published which concretize the provisions of the federal law on state secrets according to their forms and subjects (carriers), and so on. In them are envisioned organizational and other measures aimed at guaranteeing and preserving state secrets. In the opinion of the petitioner, all of these pieces of legislation should be officially published for general information, and only in this case is the citizen who has passed a state secret to a foreign state subject to criminal liability on the basis of clause "a" of Article 64 of the Criminal Code of the RSFSR. One cannot agree with this argument, since the given pieces of legislation are acts of special application; they should be known only by those persons to whom they are addressed, since they deal with state secrets.

The question on reference in judicial verdicts to normative acts regulating questions of state secrets—this is a question of the sufficiency for legal qualification of criminally punishable deeds, and it should be decided in each concrete instance proceeding from the established facts of the case, and not a priori.

At the same time, it is possible to agree with the author of the petition that one may view the insufficient clarity and lucidity of the definition of the subjective aspect (guilt, motives, aims) as shortcomings in the formulation of passing state or military secrets to a foreign state as a form of treason. Shortcomings of this kind can and should be eliminated by the legislators themselves.

And finally, in V.A. Smirnov's petition the constitutionality is called into question of such a form of treason as rendering assistance to a foreign state in the pursuit of hostile activity against the Russian Federation, in view of the vagueness of the given type of crime. One should agree that in such a wording one does not see the necessary level of the public dangerousness of rendering a foreign state assistance in the pursuit of hostile activity against the Russian Federation which would make it possible with a fair degree of objectivity, clarity, and lucidity, to view such deeds as treason. However, this shortcoming (even if it is a serious one!), just like other shortcomings in the formulation of types of crimes, in particular as regards their subjective aspect (guilt, motives, aims), should be corrected by the legislators themselves.

A certain influence on forming the practice in the application of the provisions called into question of clause "a" of Article 64 of the Criminal Code of the RSFSR can be exerted by courts of higher jurisdiction with the generalization of judicial practice in the given category of criminal cases.

V.A. Smirnov's petition calls into question the establishment of a number of elements of the objective and subjective aspects of the passing of state secrets to a foreign state (for instance, is V.A. Smirnov's description of scientist colleagues and officials, which was passed to a representative of a foreign state, a state secret). This enters into the establishment of the factual circumstances of V.A. Smirnov's criminal case. It can be surmised that legal errors were committed in the criminal case of V.A. Smirnov, but they cannot be a matter for the Constitutional Court to examine.

On the basis of what has been outlined above, I come to the conclusion that all the questions raised in V.A. Smirnov's petition and resolved in clause "a" of Article 64 of the Criminal Code of the RSFSR did not receive authorization in the Constitution of the Russian Federation, and also by their content, character, and significance are not among the number of constitutional questions. By virtue of the stated reasons on the basis of the requirements of Article 68 of the federal constitutional law "On the Constitutional Court of the Russian Federation," the case on verification of the constitutionality of the provisions called into question of clause "a" of Article 64 of the Criminal Code of the RSFSR in connection with V.A. Smirnov's petition is not within the jurisdiction of the Constitutional Court of the Russian Federation, and proceedings in the case are subject to termination.

20 December 1995

City of Moscow

Russia: Kononov Criminal Code Case Dissension

964F0836A Moscow ROSSIYSKAYA GAZETA in Russian 18 Jan 96 p 6

["Dissenting Opinion of A.L. Kononov, Justice of the Constitutional Court of the Russian Federation, in the Case Involving Verification of the Constitutionality of a Number of Provisions of Clause 'a' of Article 64 of the RSFSR Criminal Code in Connection with the Petition of Citizen V.A. Smirnov"]

[FBIS Translated Text] 1. In accordance with Article 74 of the law "On the Constitutional Court of the Russian Federation," the Constitutional Court, in rendering a judgment in a case, assesses both the literal meaning of the act in question and the meaning imparted to it by an official or other interpretation or the evolved practice of application of the law and also on the basis of its place in the system of legal documents. The practice of the application of Article 64 of the RSFSR Criminal Code, however, is too serious and glaring to be completely ignored in a judgment of the court.

Article 64 of the RSFSR Criminal Code was for many years, with the rare exception of instances of genuine espionage, a virtual instrument of political repression and the struggle against dissidence and political foes and a method of the brutal suppression of the generally recognized rights and liberties of man and citizen and the protection of the Soviet socialist state, whose appellation, incidentally, is preserved both in the name of the code and in the text of the article itself.

In the historical-legal respect this article inherits all the characteristics of Article 58, infamous in the years of the Stalin terror, of the former criminal code concerning counterrevolutionary crimes. The extreme ideologization of this corpus delicti can be seen vividly in its highly typical definition in the "Course in Soviet Criminal Law": "Betrayal of the motherland is betrayal of the political and social environment to which a person belongs. It represents an encroachment on the unity of the citizen and this environment, an unnatural break with it, and a profoundly negative social fact (?!). This is betrayal of the people building a communist society and direct assistance to imperialist reactionaries, warmongers, and the most malicious enemies of progressive mankind" (Leningrad State University, 1973).

The mere designation of the crime "betrayal of the motherland" has no precise legal substance and would seem to be more a moral- political evaluation. It is characteristic that, instead of the legal concept "departure abroad," the negative-evaluative "flight" is employed. The concepts "damage to sovereignty, territorial sanctity, or state security and the defense capability of the USSR" are absolutely undefined and allow of any interpretations. An act designated "assistance to a foreign state in the pursuit of hostile activity" does not lend itself to formalized analysis and specification.

It would seem that the uncertainty of both the terminology and the legal substance of a whole number of the corpora delicti included in Article 64 of the RSFSR Criminal Code was knowingly permitted by the legislator precisely for the purpose of their broad interpretation and the untrammeled discretion of the law enforcement authorities, which is contrary to the general principles of law and the principles of criminal law in particular.

The refusal to reopen V.A. Smirnov's case in 1991 and 1995 by way of supervision, as also of a number of similar problems of the rehabilitation of victims of political repression, shows that applicant of the law still adheres to the same positions. The political practice of recent years with the elements of a revival of strong-state patriotism and the totalitarian feeling for law and order testifies to the danger of the use of provisions of Article 64 of the RSFSR Criminal Code which have yet to be disqualified in the struggle against political opponents—"betrayers," "traitors," "enemies of the people," and so forth—for qualification of the political and other constitutional rights of the citizens. All this points to the high degree of actuality of the issue in question.

2. The judgment of the Constitutional Court rightly points to the contradiction between "flight abroad or a refusal to return from abroad" as a provision of clause "a" of Article 64 of the RSFSR Criminal Code and the provisions of part 2 of Article 27 and part 3 of Article 55 of the Constitution of the Russian Federation and also to the fact that such actions cannot by nature be an encroachment on sovereignty, territorial sanctity, state security, and the defense capability of the state.

But the judgment substantiates insufficiently fully the impossibility of the categorization of such actions as betrayal of the motherland.

A literal interpretation of the corpus delicti in question leads to the conclusion that the mere fact of a citizen of the USSR crossing to the territory of a foreign state, lawfully or unlawfully even being immaterial, what is more, is treason. It is significant that criminal-law doctrine and practice never were able to formulate a uniform noncontradictory approach to the subjective aspect of this act inasmuch as its very wording presupposes an objective imputation and political evaluation of the aims and motives of the subject as defection to the camp of the class enemy, as difference of opinion and disloyalty and, consequently, as treachery in relation to the existing system, policy, and so forth. This evaluation of such actions took shape back in the first years of Soviet power and was juridically enshrined, for example, in the decree of the USSR Central Executive Committee of 21 November 1929 "Outlawing of USSR Citizen Officials Abroad Who Have Defected to the Camp of the Enemies of the Working Class and Peasantry and Who Have Refused To Return to the USSR."

On the other hand, this has led in practice to such political motives being deemed criminal, irrespective of the actions, which can be seen from the case of petitioner V.A. Smirnov. Thus "his regular listening to subversive Western radio stations, negative attitude toward Soviet reality, dissatisfaction with the existing system in the USSR and the international policy pursued by the Soviet state, solidarity with persons who have engaged in anti- Soviet activity, and a request of the Norwegian authorities that he be granted political asylum" served as proof of his treasonous anti- Soviet motives.

Thus the said corpus of clause "a" of Article 64 of the RSFSR Criminal Code is contrary both in its substance and also with regard to its interpretation and application in practice to the provisions enshrined in the Constitution of the Russian Federation concerning the presumption of innocence and culpability for having committed a crime (Article 49), contrary to the sense of the provisions of Article 55 of the Constitution of the Russian Federation, impedes exercises of the basic political rights and liberties of man and citizen: freedom of movement, choice of place of residency, freedom to leave the country and to return to it without hindrance (Article 27), and freedom of thought and expression of one's opinions and beliefs (Article 29, parts 1 and 3), and is contrary to the principle of the impermissibility of persecution for political beliefs (part 2 of Article 63) and the right to seek refuge from persecution in other countries (clause 1 of Article 14 of the Universal Declaration of Human Rights, clause 4 of Article 15, and Article 63 of the Constitution of the Russian Federation).

3. The Constitutional Court of the Russian Federation found without any reservations as conforming to the Constitution the provision of clause "a" of Article 64 of the RSFSR Criminal Code concerning the passing of a state or military secret, referring to the fact that the law of 21 July 1993 "State Secret" realizes the requirement of part 4 of Article 29 of the Constitution, but essential points of the petitioner's line of reasoning are ignored here.

It was confirmed at the session of the court that a whole number of lists of information constituting a state secret were in effect earlier and are so at this time also. These lists are not confirmed by federal law, are of a departmental nature, and have not, in connection with their secrecy, been published.

The wording of Article 64 of the RSFSR Criminal Code, as, equally, the actual practice of its application, allows of criminal liability for the passing of information contained on any of these lists. In addition, as can be seen from the text, criminal liability ensues also for the passing of military information that does not pertain in terms of substance to a state secret. The mere fact here of whether this information or the other pertains to a military or state secret is so unevident that, as a rule, special expert evaluation has been appointed in each specific case.

The case of the petitioner V.A. Smirnov is a typical example. The latter was convicted of having betrayed exporters of products banned by Western countries for importation into the Soviet Union. This information was known to Smirnov from open sources. He had not been cautioned and had given no written undertaking not to divulge it and did not have access to secret documents. Such information is not designated secret either on an open list of information constituting a state secret which was in effect earlier or in the law "State Secret" which is in effect now. But the investigation and the court, charging Smirnov with treason in the form of the passing of a state secret, referred to the List of the Most Important Information Constituting a State Secret, which was secret and which had not been published and which had been confirmed by a decree of the USSR Council of Ministers of 3 December 1980, about which Smirnov could not have known. The possibility of objective imputation here is obvious.

Such an interpretation of the said corpus of clause "a" of Article 64 of the RSFSR Criminal Code is absolutely impermissible from the viewpoint of the following constitutional statutes:

part 3 of Article 15, according to which all prescriptive legal documents affecting the rights, liberties, and obligations of man and citizen may not be applied unless they have been published officially for general information;

part 3 of Article 55, according to which the rights and liberties of man and citizen may be qualified by federal law;

part 4 of Article 29, according to which the right to information may be qualified by a list of information constituting a state secret determined by federal law.

An analysis of the above-mentioned provisions of the Constitution of the Russian Federation leads to the obvious conclusion that no lists of information constituting a state secret other than those published officially in a federal law may serve as grounds for qualification of the right to freely seek, obtain, transmit, produce, and disseminate information in any lawful way (and regardless of state borders, as part 2 of Article 19 of the 1966 International Civil and Political Rights Pact says) and especially may not be grounds for criminal liability for treason.

In addition, treason in the form of the passing of a state or military secret is distinguished in the text of Article 64 of the RSFSR Criminal Code as an independent corpus allegedly distinct from the previous form—espionage. But differentiating between these two corpora theoretically and practically and drawing some essential distinctions between them would seem absolutely impossible. Both are formally the premeditated transfer (passing, that is) of a state secret to a foreign state. If indications of treason or espionage are absent, such an action is categorized, as we know, according to Article 75 of the RSFSR Criminal Code, as the divulging of a state secret.

Thus the presence in Article 64 of the RSFSR Criminal Code of an independent form of treason in the shape of the passing of a state or military secret which is not espionage or the divulging of a state secret has no logical or juridical justification and leads in practice either to objective imputation, as in Smirnov's case, or to an artificial doubling of guilt and punishment, which is contrary to the provisions of Articles 4 and 50, part 1 of the Constitution of the Russian Federation. The absence of clearly expressed legal distinctions between the said corpora delicti signifies the obvious arbitrary action of the applicant of the law and, consequently, violates the constitutional principle of the equality of all before the law and the court (part 1 of Article 19).

4. Assistance to a foreign state in the pursuit of hostile activity against the USSR is a most uncertain corpus of clause "a" of Article 64 of the RSFSR Criminal Code.

Everything that is not encompassed by corpora of this article theoretically comes under this wording, although in practice it is used as some summary form of treason necessarily inherent in all other corpora, thereby artificially doubling and complicating the categorization of the act.

The location and sense of the wording of this corpus testify that the list of forms of treason is not closed and that the applicant of the law may also refer here some other acts which he subsequently deems necessary to categorize as treason.

Criminal-law doctrine and practice have long pointed to the defectiveness of this corpus and to the absence of specifically defined criminally censurable forms of manifestation of the so- called "assistance in hostile activity," but the legislator has still not yet managed to accomplish this by virtue of the fundamental impossibility, in our opinion, of producing adequate wording of this corpus as some particular form of treason.

All the examples known from practice point either [as published] to various forms of involvement and participation in espionage (agent recruitment, collection of espionage information, and so forth), sabotage, terrorist acts, and other crimes requiring a different categorization. In the other instances the concept of hostile activity has been given an exclusively political meaning in such characteristic terms as "subversive propaganda," "ideological diversions," "anti-Soviet actions," and so forth. Such "activity" was very easily categorized as treason "damaging the interests of the USSR," "subversive," or "weakening the Soviet state"....

The Smirnov case is just such an example. He was convicted specifically of having communicated to representatives of Norway commonplace characteristics of his fellow employees, which, in the opinion of the investigation and the court, "could have been used by foreign intelligence for ideological diversions and for disposing Soviet citizens toward betrayal of the motherland and the organization of other hostile acts and to subvert and weaken the Soviet state."

Thus the said corpus of clause "a" of Article 64 of the RSFSR Criminal Code affords every reason for its contradictory arbitrary interpretation by the applicant of the law and permits, included, a conviction for exclusively political motives.

This conflicts with the generally recognized principles and rules of international law, which, in accordance with part 4 of Article 15 of the Constitution of the Russian Federation, are an integral part of the legal system: The requirements of criminal law, which should clearly and precisely determine the elements of a crime (document of the Copenhagen meeting of the CSCE conferences on the human dimension, clause 5.18) and the requirements of true and impartial justice (1966 International Civil and Political Rights Pact, part 1 of Article 14).

In its judgment the Constitutional Court indirectly recognized the defectiveness of the provision of the Criminal Code in question, but, in spite of a position formulated earlier, did not deem this provision not to correspond to the Constitution. In the decision of 25 April 1995 on the petition of Citizen L.N. Sitalova the Constitutional Court unambiguously declared: "The possibility of the arbitrary application of the law is a violation of the equality of all before the law and the court proclaimed by the Constitution of the Russian Federation (Article 19, part 1)."

It would seem that an analogous conclusion is all the more justified in this case.

20 December 1995.

*Russia: Laws Combatting Crime, Corruption Vetoed

964E0466A Moscow ROSSIYSKAYA GAZETA in Russian 16 Jan 96 p 2

[Article by Vladimir Klimov, under "Law" rubric: "When Slowness Is the Same as Wisdom"]

[FBIS Translated Text] **You can't overcome crime when you see a villain in every person. We've already been through that. We cannot repeat the harsh lessons of history—herein lies the essence of the presidential veto.**

No two laws are alike. Tempestuous passions of State Duma deputies roil around some, but the people remain silent. Others, on the contrary, are tempestuously discussed at the lower depths, but evoke no emotions from the deputies. There is also, I would say, the multiradial category of laws. They concern both the higher-ups and the lower-downs—everyone who feels, who thinks, who lives.

This kind of law, without a doubt, includes "On the War Against Organized Crime" and "On the war Against Corruption." On December 9 of last year, both the one and the other passed through the barrier of the

Federation Council and were sent to the RF president for his signature. There wasn't long to wait: on December 22, the president vetoed both laws.

The president acted decisively, even though he understood perfectly that his veto would be capable of evoking a tempestuous reaction even at the first meetings of the substantially left-leaning Duma. The laws survived a basic roll-out in the Security Committee, which was headed by the communist, Viktor Ilyukhin. We already know how many members of the Communist Party of the Russian Federation there are in the Duma.

Each of the two laws has its own history, with battles, intrigues, losses and defeats. It is sufficient to say that the Law "On the War Against Organized Crime" is getting its second "black mark" from the president. The first time was in August, 1993.

However, let's not get into history. In order to avoid charges of bias, let us cite the opinions of two specialists on what caused the president to veto the two laws.

First will be Azaliya Dolgova, doctor of juridical sciences, head of the division of general problems of criminology and the war against crime at the Scientific Research Institute of Problems of Strengthening Legality and Law and Order. I will not be sinning against the truth if I say that Azaliya Ivanovna has contributed to laws not only knowledge and the richest work experience with practicians, but heart, as well. Laws like this cannot be unfeeling. Dolgova is convinced that it is manifestly mafia forces that are standing in the way of the laws' passing. Those standing at the helm of the shadow economy who have been able to get their own people into both the legislative and executive organs of power.

The second is Mikhail Krasnov, doctor of juridical sciences, aid to the president on legal issues. I have known Mikhail Aleksandrovich for many years. He is a man of pure honesty and firm principles. Krasnov favors the laws as a whole, but he is categorically against individual statutes that are entered into the laws against the president's opinion. The unwise application of certain statutes could, in the opinion of Mikhail Krasnov, give rise in our society to relapses back to 1937. History has shown how the ability or desire to see in every person a criminal leads to universal tragedy. We do not have the right to ignore the harsh lessons of history.

The bases upon which the president declined the laws in many ways confirm an attempt to cleanse society of criminals and crime which at times not merely crosses the bounds of the intelligent, but also enters into distinct contradiction to democratic principles, to the Russian Constitution. Specifically, part three of Article 15 of the Law "On the War Against Organized Crime" obligates physical and legal persons to provide declarations to specialized divisions dealing with the war against organized crime concerning the financial and real estate operations of their clients, and based solely on the assumption that a connection exists between these operations and illegal activity.

Further, the article reads: "Declarations may be made in oral or written form. Reporters enjoy criminal and civil immunity even in cases where their declarations do not find further confirmation, but even so are not deliberately false reports." As we know, anyone can assume whatever he wants, but just try to prove later that it was a false report. It is a statute that is extremely imperfect, if not dangerous, for our troubled times. It also clearly contradicts Chapter Two of the RF Constitution, which states man's basic rights and freedoms.

Parts one and two of Article 13 of the given law, which speak of the seizure of financial means and property, also fail to comply with constitutional norms. They do not comply because a person whose money or property are confiscated must prove the legality of their origins. But what about the constitutional principle of presumption of innocence? These are only some, but as you, yourself, can judge, they are extremely convincing bases for vetoing the law "On the War Against Organized Crime." The claims against the other Law—"On the War Against Corruption"—are equally weighty.

When it was being adopted by the State Duma during its first reading, the president made observations that could not escape one's attention. For example, the draft law included in its list of potential corruptees aids of elected officials. However, realization of the powers of federal organs of state government does not lie within their competency. The list of potential corruptees also includes legal persons, which is in contradiction of current criminal and administrative legislature. All of this has remained in the text adopted by the deputies.

Even more substantial are other observations. Here is one of them: "It is also impossible to agree that actions by state officials and their equivalents are a violation that creates the conditions for corruption: by providing 'unlawful preference to physical or legal persons in preparing and adopting decisions' (point a, part one, Article 11), because this federal law does not stipulate who must decide which actions of the state official are unlawful. It does not take into consideration that the adoption of administrative decisions, especially in the economic sphere, always is associated with a choice."

Besides this, this law also contains violations of constitutional statutes. They include the requirement that financial control be extended not only to persons applying for state service or employed in it, but also to their spouses. But what about the constitutional right to the sanctity of private life, personal and family privacy?

This law speaks about the seizure of property, financial funds and other valuables belonging to a violator of the law, until the pronouncement of an appropriate court decision. Here, the law enters into contradiction with the Civil Process Code.

I have had occasion to speak with practicians. Their opinion is unambiguous: we need these laws now like we need air. With their help, employees of specialized law enforcement organs feel that within a year or two we would be able to liquidate the leaders of organized crime and the shadow economy, cleanse government service of bribe-takers. That is, do that which we struggle with from day to day, but, alas, the cart stays in the same place.

And if that is so, one would like to believe that the new membership of the Duma will display a higher wisdom. Having cast off political ambition, it will able to understand the essence of the president's criticisms and find the way towards mutual agreement.

Russia: Duma Leaders on Struggle Against Crime

964F0853A Moscow EKSPERT in Russian 15 Jan 96 No 2, pp 28-29

[Comments by Russian politicians recorded by Andrey Galiyev and Dmitriy Pinsker; places and dates not given: "We Will Crush Them With Willpower!: Representatives of the Leading Factions of Russia's Sixth State Duma on the Legislative Basis for the Fight against Crime, and the Prospects of the Fight and of Crime"]

[FBIS Translated Text]

Viktor Ilyukhin, Chairman of the Committee on Security of the Previous Duma, Communist:

Of course, our legislation—both criminal and criminal-procedural—is already outdated....

The criminal world today, according to my estimates, controls more than half the capital in the country today. We understand very well that it is necessary to put new weapons into the hands of workers of law enforcement organs. And first of all we must provide new sources of evidence. The institution of attesting witnesses is too broad: Any investigative action, with few exceptions, is conducted with the participation of attesting witnesses. Today no one becomes an attesting witness, knowing how serious the pressures of the mafia structures are on persons who try to help expose a crime. In this sense we would consider a change in legislation necessary in an urgent procedure....

It is necessary to pass a new criminal code, a new criminal- procedural code (declined by the president—EKSPERT), and a criminal-corrections code. I rarely agree with the president, but I think that he properly turned down the Criminal Code. Compiled from two drafts, the code proved to be rather weak. For example, the concept of "official" was not defined in it.... We propose a special procedure for instigating criminal cases with respect to officials who work in commercial structures: Criminal cases are instigated only on the declaration of victims.... Moreover, I believe that the effect of this code on law violations is inadequate in the sphere of economic activity. Here I see four directions for work.

First, the protection of our capital from leaking abroad. Some $4-50 billion belonging to Russia is exported annually. In my opinion, it is necessary to declare an amnesty with respect to all persons who have taken their capital abroad. Conditionally, for 100 days. In these 100 days, after the state appeals, people are supposed to return this capital to Russia, if it is possible to do so. And we say: Not one hair on your head will be touched, but you will incur a 10 percent state duty. If you leave some capital there, be so good as to prove to us that it is working effectively for Russia. If these requirements are not fulfilled, this means that criminal responsibility will be introduced for the illegal export of capital abroad.

The second direction is protection of the population from natural and technogenic situations: We burn up, we blow up, and we drown. (Experts prepared information on the condition of our transport: There has been no change. Twenty-three units of new equipment last year went to civil aviation.) We were able to adopt the law on industrial safety only in the first reading, and we have to return to it again....

Third. We have started to change the legislation that regulates the activity of special services and law enforcement organs, but we have not completed this work yet. (The tax police have been given the right to conduct preliminary investigations, and the Law on Operational Search Activity and Law on Protection of Judges have been passed—EKSPERT). Today it is necessary to pass a law on state protection, and it is necessary somehow to regulate the activity of the main administration of the protection and security service of the president, which at present is regulated at the level of departmental acts and edicts.

And the fourth direction is to continue the work we started on legislation to enable it to seriously affect crime. (The president turned down a law on the fight against organized crime and a law on the fight against corruption—EKSPERT.)

But the main thing now is not that there are no laws....

At the beginning of the 1980's, when I worked in the Procuracy, having in hand only the Criminal Code and the Criminal-Procedural Code, we resolved all tasks in the sphere of the fight against crime: We arrested ministers and deputy ministers, first secretaries and chairmen of executive committees. Because we also had the political will to bring order to the state. Today I can say that this political will does not exist.... What, does the government not know that 20 percent of all extracted oil flows out of the country without compensation? It knows. But in two years I have not heard even one proposal from the government in this respect.

And a second factor. When I am asked whether it is possible to fight crime today, I say—no. Today crime is fought on the street without undermining the financial and economic power of this criminal world. The law enforcement organs have not had an effect on this sphere and are not affecting it for a number of reasons: It is difficult, and it is frightening, but most often—they are not permitted....

I hope to receive full support from my faction. Especially in the direction that will be associated with the protection of national capital from leaking abroad. This is a winning feature for the faction and for the Duma as a whole. We are prepared to form an alliance with everyone—with Zhirinovskiy, with Yavlinskiy, and with NDR [Russia Is Our Home].

Aleksandr Shokin, a Leader of the NDR Movement:

A key question has to be decided: How far can tough measures in the fight against organized crime, economic crime, and street crime, and so forth, violate human rights. This is our eternal problem. An edict was published a year and a half ago (on the fight against organized crime—EKSPERT), which was interpreted by many human rights defenders and deputies as a deviation from constitutional norms. We must find resolutions so that tough actions are conducted in strict compliance with these norms. And not in any way because the presidential elections are drawing near: It is a key problem, and it has to be placed at the top of the list of the Duma, of the government, and of the president. I think that if there is competition here, it will be useful....

We are often accused of the fact that we are the party in power... But, after all, even in the sphere of the fight against crime we have additional capabilities: We can use the work of our government colleagues. And we will also take the opportunity to use the elaborations of the force ministries, the Ministry of Justice, the government as a whole, and the state legal administration in order as fast as possible to try to push them forward, without waiting in a long line for a review in the government....

We are prepared to work with all factions. There is no nonacceptance of proposals from the Communists. If they are not excessively politicized and ideologized, it is entirely possible to unite efforts here....

In addition, as a faction we long ago declared that we would not take executive authority in a military fashion. We are prepared to both push the government toward certain actions and to criticize the government.

In cases where the differences are a matter of principle, it will be necessary also to look at the composition of the government— whether it responds in full measure to our interests. It cannot be ruled out that, as individual factions in the last Duma raised the question of the recall of one or another minister, we also will raise this question....

Sergey Ivanenko, Deputy Chairman of the Committee on Property in the Previous Duma, Yabloko Association:

It previously could have seemed that in the fight against crime the appropriate state organs did not have enough professionalism. But now, after not one major case has been solved in several years— neither political murders, nor the numerous contract murders of businessmen and bankers—a question has arisen as to a lack of political will on the part of the present authorities to fight crime. This is corroborated by both the inaction of the authorities with respect to the terrorists in Chechnya and the events in Budennovsk and Kizlyar.

But contrary examples also exist of what authorities can achieve who are not connected with crime and who are interested in fighting it. According to information available to us, the crime solving rate in Sterlitamak, owing to the efforts of the city mayor, has been more than 80 percent.

Given this kind of political will, we think it is necessary to establish a state service for the protection of businessmen and private property at both the federal and regional levels.

The ultimate aim in this case is the institution—on the basis of previously established special subunits of the MVD [Ministry of Internal Affairs] and state security—of joint-stock companies that could offer any kind of services for the protection of private business undertakings authorized for private agencies. It is necessary to give status and rights to the employees of this service, to render them material assistance with premises and equipment, and to provide budgetary financing in the initial stage of work.

Aleksandr Vengerovskiy, Deputy Speaker of the Previous Duma, Deputy Chairman of the Liberal Democratic Party of Russia:

The last Duma also gave quite a lot of power to the law enforcement organs. Question: Will they use it, or not? Are they corrupt, or not? The events in Kizlyar indicate that our force structures, while having great powers and, perhaps, not supplied very well materially, nevertheless do not work very well even with what they are given. Therefore, the Russian taxpayer should first ask himself the question: Why do I pay taxes, and where do they go?

Therefore, I think that the first meetings of the State Duma will reflect what is occurring on the street, and many will propose decisions involving force. However, it is necessary to know whether there is the strength in the country to continuously support terror against the criminal? Knowing the composition of the sixth State Duma, I think that in many ways this will be a one-time campaign. From time to time instructions, directives, and decrees will be issued, which will be implemented to one or another extent.

It is necessary to turn to our Constitution. According to the Constitution, extraordinary rights are given to the president in our country. Therefore, if the president should want to deal with street crime with adequate methods, the system of edicts will enable the president to work on this process in earnest. If he sets the task and personally assigns responsibility, results can be achieved over a period of time. However, there have been no show trials, nor are there any, regarding cases of corruption in the higher echelons of power. There are no dismissals from positions for serious acts associated with official crimes. Evil must be stopped at all levels of our state. Any political party will subscribe to this, starting with the LDPR and ending with Yabloko.

Russia: Draft Administrative Code Criticized

964F0823A Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian No 1, 11 - 17 Jan 96 p 3

[Article by Dmitriy Ukhlin: "Litter in the Law: Russia's Administrative Code Was Established in Great Secrecy"]

[FBIS Translated Text] The Criminal Code's younger brother—this is what lawyers frequently call the Administrative Code. We run into it practically every day. Every one of us is not a murderer or a thief. But selling something in an unauthorized place, running across the street on a red light, going hunting without a license—who does not do this.... Therefore, that which in the Criminal Code is called a "crime" is here an "administrative infringement of the law." In the Criminal Code punishment follows, in the Administrative Code—a "penalty." There—jail, here—the usual fine in some amount of minimum wages.

Well then, the new Code of the Russian Federation on Administrative Infringements of the Law, which quite recently carried the title of Federal Law, has already been languishing within the walls of the Ministry of Justice for more than a year and a half. It was only at the beginning of November that Deputy Minister of Justice Yevgeniy Sidorenko received visitors in his office. And talked about the draft Administrative Code. Then it became clear how it was possible to keep the secret for so long.

Because the developers of the code—to a man—were in police uniforms. Under the leadership of Sergey Romazin, chief of the directorate for judicial reform, they are "tailoring" this code exclusively to their own size—it violates human rights even more than the one now in force. The MGU [Moscow State University], MGIMO [Moscow State Institute of International Relations], MGYuA [not further identified], Law Academy of the Ministry of Justice, Collegium of Lawyers, NII [Scientific Research Institute] of Lawyers, Commission on Human Rights under the president, and another good dozen legal establishments deny having anything to do with the new code that is being prepared!

As a result, the present code gives employees of the GAI [State Automobile Inspectorate] an opportunity to milk automobile owners right on the spot, "without a trial or an investigation," and with redoubled force.

The new code asserts, following the old one: "The agency, or an official, guided by the law, evaluates the evidence according to his [begin bold]own inner conviction[end bold] (emphasis by NOVAYA YEZHEDNEVNAYA GAZETA) based on an overall full and objective investigation of all facts of the case in their aggregate." Inner conviction is an insidious thing! So, driver Ivanov, who used to be fined on the spot, will continue to be fined on the spot.

A serious infringement of citizens' rights is the so-called article—118 in the old code—on systematic violations of road traffic rules, and there are those same notorious "points." First the driver is punished with fines, and if he accumulates 15 points he is deprived of his driver's license. It is as if the driver is forced to carry a specific criminal case with him—the "coupon." But after all, registration of legal violations is the function of an investigation and the court; after all, it is for this reason that court dockets and archives exist. Imagine the coupon of a "drunk" or a poacher! The GAI of the MVD [Ministry of Internal Affairs] here once again tries to put itself above the world's generally accepted judicial norms. Not to mention the fact that now, if the code passes in the form it is now in, a maximum of not five, as before, but a whole eight points can be taken "at one time," and when they punch holes in the entire coupon you can be deprived of the right to drive not for six months but for a whole year.

In the draft legal code three entire articles are devoted to the mass media. They will be punished with big fines for violation of procedures for preparing or disseminating their product and for violation of the procedure of publication of imprints—especially urgent in the period of a pre-election campaign—and the procedure for presenting "mandatory and controlled copies"—right down to confiscation of the entire edition.

According to the plan, which was approved by the president, the submission of a draft of the new Administrative Code to the State Duma was scheduled as far back as December 1994. But then the war in Chechnya started. Now we are awaiting a new Duma. "You do not like the code? Write your own, and implement it yourselves," thinks Deputy Minister of Justice Yevgeniy Sidorenko. "But we are doing everything according to our own inner conviction."

And you know, Sidorenko, apparently, is right. We, after all, are not even trying to find out who exactly selected the commission, and what its composition is. Who it is that is in such a rush to regulate our administrative life for many years ahead. The politicians now have different points of view, but the internal affairs organs, naturally, are concerned about how to facilitate and ensure a future for themselves.

*Russia: Legal Reform Seen Hampered

964E0480A Moscow ROSSIYSKIYE VESTI in Russian 16 Jan 96 p 3

[Article by Andrey Kolesnikov and Dmitriy Orlov: "Law: Legal System Remains in Its Pre-Reform State"]

[FBIS Translated Text] When the concept of judicial reform was confirmed in 1992 and the state recognized the need to radically transform the entire legal system, several legal schools and figures battled for the "copyright" on legal reform. The undisputed leader here was the young and ambitious minister of justice, 33-year-old Nikolay Fedorov, a graduate of Kazan University. The candidate of legal sciences openly declared that an independent and strong judiciary must become the linchpin of a new state subject to the rule of law. Fedorov dared open the discussion of trials by jury and initiated changes in criminal and criminal procedural legislation, which prior to that time had been oriented exclusively toward suppressing the accused as an individual. The ambitious minister prepared a reform comparable in significance with the famous legal reform of 1864.

But first a rival appeared—Sergey Shakhray, whose ambition proved even greater. Sergey Mikhaylovich decided to turn the Ministry of Justice into a secondary agency (the ministry has been in that state ever since) and became head of the president's State Legal Administration. The year 1992 was marked by an epic struggle between the two ambitious jurists, one very reminiscent of the confrontation between the Ministry of Justice of the Russian Empire and the Second Division of the Emperor's Chancellory.

The result was that the normative, conceptual, and organizational foundation of legal reform was shaped, but the appearance of such a large and influential structure as the State Legal Administration reshuffled all the cards. Everyone was responsible for everything simultaneously, and no one was responsible for anything. The Ministry of Justice pointed the finger at the State Legal Administration, the State Legal Administration at the government's legal service, and the legal specialists of the Council of Ministers at the legal specialists of the Supreme Soviet. The decision-making process was out of balance and fragmented.

In the summer of 1992, the "fathers" of our legal reform encountered a fundamental lack of understanding of their problems on the part of the deputies, who for starters "pushed through" the Supreme Soviet's draft decree "On the Remuneration of Judges and Court Staff Members." That document had the potential to dispel the perception of the legal profession as an extremely unprestigious occupation. In June of that same year a new law was adopted on the status of judges, but the independence of judges proclaimed in that normative act was not backed up with material guarantees—i.e., by comparatively high salaries. Of course, this problem was subsequently solved in part, but only members of the Constitutional Court can feel completely satisfied.

But reform got under way, and 1992 was actually the most productive year in this sense: The institution of judges of the peace was established, the practice whereby judges consider cases personally was instituted, the law on judicial oversight of arrests was adopted, and the experiment involving the introduction of trial by jury for cases involving the death penalty was launched in several Russian regions. Finally, the Private Law

Research Center was established, and its specialists began working on the new Civil Code, the most important document of economic reform.

Unfortunately, 1993 and 1994 were not marked by a strengthening of the Russian legal system. The confrontation between the president and the Supreme Soviet did little to help matters, and the Constitution approved by the people on 12 December 1993, despite the document's importance, was unable to penetrate all the pores of legislation and legal awareness in a brief period of time.

The government and the Duma earmarked 1.9 trillion rubles in the 1996 budget to fund the legal system. That is not even enough for the most essential things, such as official travel, renovation of facilities, utilities, and transportation—not to mention legal reform! Meanwhile, the current minister of justice and the director of the State Legal Administration assert that legal reform in the country continues. As proof, they cite the presidential edict and directive proclaiming legal reform to be a state policy priority. But most of the planned "reformist" measures are conferences. Meanwhile, that same Ministry of Justice has been working on proposals that could lend a very unique character to legal reform. Valentin Kovalev is proposing to create in the Ministry of Justice a department for the protection of the constitutional system that would monitor the activities of public associations. The minister intends to take this initiative to the government in the near future (he told a ROSSIYSKIYE VESTI correspondent about this). And Mr. Kovalev is not at all uncomfortable with comparisons of the subdivision's proposed functions not only with the American FBI, but also with the USSR State Security Committee's Fifth Administration. (Incidentally, there's no money to pay judges, but there does seem to be money for a new structure.) Needless to say, protecting the constitutional order is a noble cause. But on the contrary, the Ministry of Justice, which is being called upon to "ennoble" what is essentially a KGB idea, would then be pulled into the force field of the repressive organs and would itself become something like a department of the Federal Security Service, forfeiting its last judicial respectability. What kind of rule of law would there be to speak of then?

In general, the terms "state governed by the rule of law," "legal reform," "judicial reform," and "reform of the penal (corrective-labor) system" are no longer in scholarly, political, or ideological circulation. Nobody remembers the trial by jury, and the court itself remains a synonym for something decrepit and bureaucratic. The situation in the jails and colonies has not improved but become worse: No funding means no reform.

Ordinary citizens are unhappy about rising crime, and any attempts to democratize criminal and criminal-procedural (enforcement) legislation get a hostile reception.

The only area of law in which reform is still more or less tangible is civil law. Through the efforts of the best specialists on civil law, the first part of the new Civil Code was drafted and adopted. In its final days, the State Duma adopted the second part too, although it has not yet completed the entire legislative procedure. The country's first Higher School of Private Law was founded. Sergey Alekseyev, corresponding member of the Russian Academy of Sciences, likes to call the Civil Code the "constitution of our civil society." And indeed, under the present circumstances, the affirmation, through the Civil Code, of a legal system based on the independence of the individual and freedom of contracts is no less important than the establishment of a new state law through the Constitution.

A second bright spot is the Constitutional Court, which has gotten off to a good start, as they say. The history of its ignominious politicization under Valeriy Zorkin is well known. Now, under Vladimir Tumanov, it is no less politicized, but avoiding that in a country torn by political and legal conflicts is fundamentally impossible. The execution of the Constitutional Court's rulings cannot be termed ideal, and the openly disdainful attitude that local authorities have taken to such rulings as the abolishment of residence permits evoke associations not simply with the Constitutional Oversight Committee, but with the USSR People's Control Committee.

Law is conservative by nature. But this is no answer to the question that has been posed. The rate at which extremely important normative acts (including codified ones) are being passed is laughable. The parliament boasted about how hard it worked, but the effectiveness of its efforts in the legal sphere (excluding the Civil Code) was zero. The instability of the political situation has also contributed to this state of affairs.

The level of legal awareness of the public as a whole and among legislators in particular remains extremely low, unfortunately. Herein lies the cause of all the problems facing legal reform, which lags several years behind both political and economic change.

Russia: Hostility, Conflicts Among Police Viewed

964F0851A Moscow LITERATURNAYA GAZETA in Russian 17 Jan 96 No 3, p 13

[Article by LITERATURNAYA GAZETA commentator Igor Gamayunov: "A Stranger Among His Own?

How Gangsters Must Rejoice Watching Infighting Among the Police...."]

[FBIS Translated Text]

Retaliatory Move

We see this increasingly often in crime chronicles: A police officer detained in the act of taking a bribe; a procuracy investigator who had been cooperating with the criminal world is arrested.... Meanwhile, the new MVD [Ministry of Internal Affairs]- RUOP [Regional Administration for Combating Organized Crime] structure—the analogue of the American FBI, whose task, among others, is to root out corruption—has found itself in a vicious conflict with its police colleagues.

Trying to figure out the causes of this, I talked to many participants in this national-scale confrontation (in five out of 13 regions it has already flared from a latent, smoldering stage into an open battle). When my interlocutors answered the questions, they usually attached one condition: No names.... There was an exception, however. Valeriy Kazakov, a Moscow RUOP officer and anticorruption department chief (who, by the way, has visited the United States on numerous occasions and has a good knowledge of how the FBI is organized), having agreed to an interview and taken a late evening hour out of his tight schedule, asked me: "Please note: All my comments on this topics are my personal, subjective opinion. And something else: Do not count on finding unequivocally categorical answers."

But first about what is happening. Dislike (to put it mildly) for the RUOP developed in the police several years ago, that is, as soon as these administrations appeared in the MVD system and transformed the vertical subordination system. Then conflicts began. At first, as an undercurrent. As soon as the RUOP energetically showed itself, however, information immediately went to Moscow: "Violations...." I was given the names of cities where conflicts have already transcended departmental boundaries and have brought into their orbit the local authorities and the press: Ryazan, Ulyanovsk, Tyumen, Saratov, and Khabarovsk.

In one instance, it is a clash of ambitions between the local UVD [Administration of Internal Affairs] chief and the regional administration. In others—mutual finger-pointing at abuses. As a rule, it began with the RUOP initiating a criminal case on bribes among the police. And immediately the local police "retaliated."

The most critical situation developed in Saratov (this has been reported by the central press): There the RUOP exposed some arms traffickers, among whom were several policemen, now convicted; arrested mayoralty staff in the act of passing a bribe; and detained several of the city's very influential crime bosses.... The "retaliatory move" stunned everyone: Over the period of several months, some 15 RUOP staff were arrested. Almost all were later released (two are still in a preliminary detention facility). The chief of the Volga region RUOP, Vladimir Yeremkin, could not live with this, though—he shot himself in the heart with his standard- issue handgun. "I do not see....how I can protect people from arbitrariness," he wrote in his final note.

A 'Roof' for the King

As is beginning to come out now, one of the factors that provoked the conflict is the RUOP's far from complete independence from the local authorities. The RUOP depends on the oblast UVD both in personnel and financial matters. That is, for all intents and purposes it is in a position of dual subordination.

"In the United States the Federal Bureau of Investigations was created within the Department of Justice framework and is subordinate directly to the secretary," says Valeriy Kazakov. "Thus, this vertical chain of command is completely independent of the local authorities. But the socioeconomic system there permits the maintenance of this kind of structure. We have it differently: If you take us out of this dual subordination now, we will immediately become paupers. Because the city authorities help us both with transportation and in social matters. Yes, of course, dual subordination has its positive moments. But in the current situation there are more negative ones...."

It began with the most elementary thing: envy. When the RUOP was created, the best professionals from the criminal police went there. Their jobs were filled by less-qualified people. That is why the RUOP's operational results were incomparably higher. Besides, RUOP staff eventually got to be paid a 50 percent hardship pay. Not a fortune, since the percentages were calculated only on base pay (that is, excluding rank pay and bonuses). The base pay of the Moscow RUOP department chief, for instance, is R300,000, of which 50 percent is R150,000.

"The former Soviet man's psychology is such, however," comments V. Kazakov, "that if someone is paid a little more than you, he is supposed to do all the work."

In the end, in order to eliminate the conflict, the pay was equalized by adding the contentious 50 percent extra pay for all police operative services. What remained, however, was the aplomb of some high-ranking UVD staff, stung by the RUOP's first successes.

"To run a normal agency, you need intelligent, competent, tactful people," says V. Kazakov. "In our current situation, however, the RUOP's problem sometimes is a problem of personal relations between criminal police chiefs and the RUOP leadership. But the main cause of the conflict, of course, lies in one of the RUOP's main functions.

"....We expose corrupt people working in the police. But criminal police do not have such authority. The resulting attitude: What is going on? A policeman who throws his own behind bars?"

[Gamayunov] What if such authority were granted?

[Kazakov] Imagine this: A "sticky-fingers" staff member has been found among their own ranks—all that remains to be done is to catch him red-handed. The criminal police chief, who also is deputy GUVD [Main Administration of Internal Affairs] chief, goes to his boss: Here is the culprit; people have been interviewed, everything is documented.... Shall we take him? Both face the choice: Let the case proceed and later be called on the carpet by his superiors, where the GUVD chief will be lambasted for poor work with personnel; or quietly get rid of the exposed staff member. Usually, the latter option is chosen.

[Gamayunov] How exactly is this done?

[Kazakov] They call in the culprit for a "heart-to-heart." "What do you think you are doing," they say, "do you want to go to jail and take us with you?" "I am sorry, guys, I know now I was wrong," he says. And writes a letter of resignation. He works for a year or two somewhere else, waiting for the leadership to change. Then comes back: "Why was I forced to leave? I disagree." And goes straight to court. Since the "heart-to-heart" was verbal, the court not only reinstates him but actually forces the police to pay for his involuntary absence from work.

[Gamayunov] But you can show operational data....

[Kazakov] It is unlikely that the court will take it into account. Time has passed; the "documented" witnesses will not want to repeat their testimony, because the bribe-taker will definitely put pressure on them, while in the past he was let go without getting caught. And so such a man again becomes a police officer. The result is well known.... [end Kazakov]

The results are in statistics. Over 10 months of 1995 alone, 773 criminal cases were initiated against police personnel. Of them, 413 have been referred to court. Compared to 1994, the number of police corruption cases increased by 20 percent.

This is precisely why new Russian Minister of Internal Affairs Anatoliy Kulikov had to start his new job with Operation Clean Hands: He dismissed several high-ranking officials, proclaimed absolute nonacceptance of the slightest deviations from professional and ethnical norms, and began combating so-called street bribes—a frequent transgression among the GAI [State Motor-Vehicle Inspection].

The operation revealed quite a few things. Here is just one example, from Moscow: A gangleader nicknamed the King terrorized Shchelkovskiy Market for almost a year and a half, collecting tribute from merchants. Part of the money (R45 million over five months) he passed daily to police officers, thus securing police protection for himself. When the King was arrested and confronted with a video recording of his extortion, he confessed that he regularly made payoffs to seven municipal police officers.

In such a situation, can one do without energetic outside intervention?

Marked Money

What is the difference between the functions of the RUOP and those of criminal investigation, which also has "brushes" with organized crime? "Criminal investigations' job are crimes that have already been committed. We, on the other hand, are an operative service," says Valeriy Kazakov. "We get information, for instance: Such-and-such is planning this or that.... We penetrate his entourage. Prepare to take him with evidence...."

At the time a Moscow RUOP team was leaving for one of its operations and it turned out that there was extra space in the lead car. So I was permitted to ride along.

We drove around the Moscow streets, speeding along wide thoroughfares, rushing to get there by a specific time, while in the back seat at that moment an obviously civilian man was fiddling with his coat zipper. Out of the corner of my eye, I saw the operatives sitting next to him help him fasten some sort of box on his belt. "When you walk in," they were telling him, "do not rush. Wait until he himself asks about money. So that later we cannot be accused of entrapment. Understand?"

The man in the coat came to the RUOP about a month ago and told his story: His brother was accidentally involved in a fight and was detained by the criminal police, after which the investigation department chief explained to him one-on-one: "We can qualify it under the article that will put you behind bars for about three years, or you can get off with suspended sentence.... Get it?"

He got it. He contacted his older brother. The latter personally visited the police. The chief repeated what he had said and named a large sum. Strictly speaking, it was possible to put it together by rallying all his relatives, but the older brother had already had the opportunity to look into the matter. And was stunned: The guy was arrested only because, being in the crowd, he tried to separate the fighters.... What is there to go to convict of?

So now he, having first called (the conversation was taped) and heard "come over as agreed," was carrying marked money in a RUOP car.

Some police cars were parked at the building, so our car went around them and stopped at the side of the building. The man in the jacket stepped out. And disappeared around the corner. A minute later we heard in the RUOP car the sound of his steps—up the porch, down the corridor. One door.... Another.... The technology was working flawlessly: We could even hear the distant voices of people standing in the corridor.... Finally, the voice of the man in the jacket came through: "May I?" "Come in." "Hello, Semen Vasilyevich." "Sit down. Did you bring it?" "Here is the full amount, just like you said." "Fine. I will do as promised: We will let your person out on a pledge not to leave town, and take care of the rest later.... Let me mark your summons so you will not have problems at work...." "Can I go now?" "Yes, bye.... Call me tomorrow...." "I am so relieved. Good-bye."

The last phrase was a code word: For the operatives, it meant that the police investigations department chief has taken the money. Two men in civilian clothes (to whom the man in the jacket said in a low voice: "He put it in the raincoat's inside pocket") quickly entered the room.

One immediately positioned himself between the chief's raincoat, hanging on a coat rack in the corner, and the other—next to his desk. Several more men, tall and strong, followed them. "We are from the RUOP," the man who came in first showed his ID to the office owner. "What seems to be the problem?" "Did you just take money from a visitor?"

There was a pause. But the video camera was quietly humming on the shoulder of one of the visitors, recording the office owner nervously tapping his fingers on the table and then hurriedly lighting a cigarette, looking out of the window. "Yes, I did," he finally said, and added immediately: "For a lawyer. The accused himself asked me...." "We will establish that.... Where is the money?" "Over there," the chief breathed out, deeply inhaling the smoke and nodding in the direction of the coat rack.

I later saw the video tape: a hunted look, cigarette trembling in his hand, a pile of money on the table, and the device showing in special light the words on the banknotes: "Bribe for Kuznetsov." (The name has been changed in the interests of the investigation— I.G.). I felt terribly sorry for this man, no longer young, who had worked here for almost 20 years and was caught taking a bribe not long before retiring on a police pension....

This is not an exceptional case. Over 11 months of 1995 in Moscow alone more than 50 police officers were caught taking bribes. Most of them are investigators in municipal district police departments. They extorted money in exchange for dropping criminal charges or changing the case to a "softer" article of the Criminal Code.

But this is only what has been uncovered. One can only guess as to the true scale of bribe-taking in the police. So how can the RUOP, which exposes bribe-takers, turncoats in the service of criminal world, and secret "godfathers" in epaulets among their own colleagues, count on at least a tolerant attitude?

The Secret and the Obvious

Of course, the RUOP could not even dream of any tolerance toward itself. Debates raged around and above it. It was proposed to attach it to the Federal Security Service (out of sight—out of mind). Or subordinate it to oblast Administrations of Internal Affairs. Or give it such a workload that it would not have any time to catch its breath.

"They wanted to give us all the sensational contract murders," says V. Kazakov. "But if, for instance, the Moscow criminal investigations, with its 70-year traditions and huge operative service, cannot solve them, neither can we at this stage—that is for sure. Although we do have to share responsibility for the events with MUR. We are ready to work, as before, in joint teams on solving these crimes. But to mechanically dump everything on the RUOP means to tie our hands and feet.... And another idea: Subordinate the RUOP to the criminal police. Do not change our subordination. To make us more effective, you need to get to the heart of the RUOP, and understand our problems...."

Indeed: If society seriously wants to get rid of organized crime, which has recruited functionaries of various ranks in law enforcement agencies and state administration structures, it should throw into battle its best forces, having ensured their independence from colleagues' stung egos, lack of money, and endless attempts to weaken these structures.

But perhaps the RUOP's advancement is precisely what somebody does not want (not only from the standpoint of ego but also from strictly mercantile angle)?

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There was a pause. But the video camera was quietly humming on the shoulder of one of the visitors, recording the office owner nervously tapping his fingers on the table and then hurriedly lighting a cigarette, looking out of the window. "Yes, I did," he finally said, and added immediately: "For a lawyer. The accused himself asked me...." "We will establish that.... Where is the money?" "Over there," the chief breathed out, deeply inhaling the smoke and nodding in the direction of the coat rack.

I later saw the video tape: a hunted look, cigarette trembling in his hand, a pile of money on the table, and the device showing in special light the words on the banknotes: "Bribe for Kuznetsov." (The name has been changed in the interests of the investigation— I.G.). I felt terribly sorry for this man, no longer young, who had worked here for almost 20 years and was caught taking a bribe not long before retiring on a police pension....

This is not an exceptional case. Over 11 months of 1995 in Moscow alone more than 50 police officers were caught taking bribes. Most of them are investigators in municipal district police departments. They extorted money in exchange for dropping criminal charges or changing the case to a "softer" article of the Criminal Code.

But this is only what has been uncovered. One can only guess as to the true scale of bribe-taking in the police. So how can the RUOP, which exposes bribe-takers, turncoats in the service of criminal world, and secret "godfathers" in epaulets among their own colleagues, count on at least a tolerant attitude?

The Secret and the Obvious

Of course, the RUOP could not even dream of any tolerance toward itself. Debates raged around and above it. It was proposed to attach it to the Federal Security Service (out of sight—out of mind). Or subordinate it to oblast Administrations of Internal Affairs. Or give it such a workload that it would not have any time to catch its breath.

"They wanted to give us all the sensational contract murders," says V. Kazakov. "But if, for instance, the Moscow criminal investigations, with its 70-year traditions and huge operative service, cannot solve them, neither can we at this stage—that is for sure. Although we do have to share responsibility for the events with MUR. We are ready to work, as before, in joint teams on solving these crimes. But to mechanically dump everything on the RUOP means to tie our hands and feet.... And another idea: Subordinate the RUOP to the criminal police. Do not change our subordination. To make us more effective, you need to get to the heart of the RUOP, and understand our problems...."

Indeed: If society seriously wants to get rid of organized crime, which has recruited functionaries of various ranks in law enforcement agencies and state administration structures, it should throw into battle its best forces, having ensured their independence from colleagues' stung egos, lack of money, and endless attempts to weaken these structures.

But perhaps the RUOP's advancement is precisely what somebody does not want (not only from the standpoint of ego but also from strictly mercantile angle)?

crime. They treat it as a minor misdemeanor. The penalties are laughable. But what we are dealing with are organized crime groups' foot soldiers. And the article on possession of arms is the only one under which they can be charged. We have detained half of Moscow's crime bosses at one time or another. Some were armed. But investigators or judges let them go. I will tell you this, off the record: Both the law and judiciary practice here are no good. You get the impression that gangsters write them to suit themselves, to make their life easier.... Get up now—see that Volvo? The brotherhood has arrived. The action is about to begin."

Four "bulls" emerge from a Volvo that rolled into the parking lot. Wearing red jackets, swaggering; on their faces—utter contempt for whatever is around them. The masters of Moscow.

"Look, four more."

Another quartet joins the one already there. The spitting image of the first one, but from a different team. Competition. They will sort things out now.

"Go take them," the voice on the field radio says.

The operative crosses himself. "Godspeed." And hits the accelerator.

Our car speeds up and comes to a screeching halt next to the Volvo. A spetznaz [special troops] car is already there. Soldiers in bulletproof vests, armed with submachine guns, jump out.

"Police! Everybody down!"

OMON [Special Purpose Militia Detachments] are always pros. A delight to watch. They have already spread out and got down to work. Some of the gangsters obediently lie on the ground. Some try to object, and after a second-long "handling" settle down on the ground. There is no mincing words with them—a rifle butt in the ribs, a backheel—"Lie down, animal, and don't move...." This is the only way to deal with gangsters. A moment of vacillation and you get a bullet. It was precisely during such an operation that a sixth department officer died like a hero—a lingering painful memory for the entire MUR.

"The BMW with the bulls has taken off!" yells the operation chief. "Go after them!"

Our Zhiguli darts off. Hits the curb. Brakes screech. The engine roars—a virtual "race for survival"....

We lost the BMW. A minute later it was intercepted by the spetznaz bus. Four more bulls. Tucked in the back inside their belts (to pull out faster in a shootout) are "yellow" (Chinese)-made TT's. Lousy guns, good only for a few shots, after which you can throw them away. This is what makes them attractive to killers. What gangster would use a gun many times? You shoot somebody, throw the gun away, and buy a new one....

Tucked into the belts of the gangsters spread out on the ground are 16-round Glock handguns, also respected in the underworld, and also lousy. Our firearms are the best in the world!

"It was all planted!"—the gangsters yell. Experienced. Taught by lawyers. Who will soon converge—to bail them out and shout that it was a police entrapment. And the process will turn into a farce. If only we could slap the scum with some 10 years behind bars, the number of "cowboys" would probably drop sharply. Alas—we live in an era of humanism....

Several months later I sat there and listened to the sentence in the case. As expected, everybody got a suspended sentence. Except one, who had already piled up a heap of such suspended sentences. Such is the law. Such are the prices. Such is society's attitude to gangsters....

A few years ago the black market in arms was puny. It was almost nonexistent. Only rarely would a gun be seized from a criminal. A submachine gun would make a case of the century. Nobody had even heard of grenade launchers. Today one can buy anything that catches one's fancy. As long as you have "greenbacks" or "wood chips" [rubles]. Do you want your submachine gun wrapped or as is?

According to expert estimates, more than half of all arms flow into the black market from the military. Those that were left to CIS brothers or Chechen gangsters during the wild sovereignization. They come from warehouses and theaters of military operations. How many weapons "evaporated" during endless redeployments of military units!

From Russian MVD [Ministry of Internal Affairs] summary reports:

Tyumen Oblast. Eight military servicemen detained; selling stolen arms to gangster groups. Seized: 9,000 cartridges, 23 kg of explosives, 10 Makarov handguns, two cases of F-1 grenades....

Lipetsk Oblast. Criminal group detained during an attempt to sell antipersonnel mines stolen from a warehouse. Seized: 50 antitank mines, four missile launchers, a rocket projectile....

How many armaments have been lost by the Ministry of Defense by now, nobody can tell. In most cases the police cannot even get an answer as to whether a unit with a particular serial number was stolen from a military warehouse. Never mind inventorying the stuff!

A lot of arms are stolen at enterprises manufacturing them. Mafiosi structures flourish in Izhevsk and Tula. And no wonder, considering that workers do not get paid for months.

Amazing machinations flourish. A certain enterprising lady set up a company in Cyprus, and signed a contract to deliver 6,000 handguns straight from the plant, but en route to the far abroad the destination of the arms was changed to Ingushetia. Fighter planes had to be scrambled to force the plane loaded with arms to land.

Huge quantities of arms come from areas of interethnic conflicts. Armenia, Azerbaijan. Now Chechnya.

From MVD summary reports.

Volgograd Oblast. A Chechen detained for selling a submachine gun issued by Dudayevites to his brother.

Saratov Oblast. Detained: a group that for two years sold arms arriving from city of Gyandzh in Azerbaijan. Seized: A tank machine gun, two AKM's [Kalashnikov's automatic rifle], handguns....

Some republics have set up their own arms manufacturing. Chechnya produces TT handguns and Uzi-type submachine guns—poorly designed machinery, but good enough to turn a man into a colander.

Arms are being smuggled into Russia from the far and near abroad. The Balts, who inherited considerable quantities of firearms, are particularly active. They hire as couriers Russians, deprived and stripped of all their rights, who have no choice but to serve mafiosi structures or face hunger and misery. The organizers, on the other hand, are rolling in dough and are not afraid of anything, because of blanket cover-ups.

From MVD summary reports.

Pskov Oblast. Car detained carrying two residents of Estonia. Seized: a Walther, 25 PM's, 15 TT's.

Tula Oblast. Detained: an organized crime group selling TT handguns transported from Estonia in candy boxes....

Manufacture of home-made arms is growing. Revolvers, firing pens, gas pistols converted for use with live ammunition—this is far from a complete list of the products put out by latter-day "Kulibins." There are whole regions in Dagestan specializing in home-made arms. Quite a few of them in Russia, too.

From MVD summary reports.

Tula Oblast. Detained: seven manufacturers and 12 buyers of home-made revolvers. Six samples of the product seized.

Ryazan Oblast. Group of workers converting gas Walthers into regular handguns....

On average about 20,000 crimes a year are committed in Russia with use of firearms. This figure is rising fast. Criminals are going wild. We are on the threshold of the formation of small feudal armies. Huge quantities of firearms are concentrated in protection structures, a considerable number of which are merely legal covers for mafiosi formations. According to some estimates, in Moscow alone there are between 8,000 and 10,000 armed private security personnel. Crime bosses are routinely protected by "bulls" with legal permits to bear arms. Is this not an outrage, comrades lawmakers?!

The police seize huge quantities of arms these days. But this does not change anything. Most "henchmen" get off with symbolic sentences. The court system increasingly resembles a stern uncle shaking his threatening finger but incapable of doing more than that. Using any pretext, the cases are either dismissed or result in laughably light sentences. Amendments to the law increasing sentences for possession of arms have not changed anything. The minimum sentence is applied anyway. Too often a suspended one. And so this "irreconcilable battle" rages on: A gun is seized, the criminal is slapped on the wrist and given a suspended sentence, and let loose to roam our streets again. Buying a new gun is not a problem. All you need is $1,000. So the end result is that the mafiosi are mainly hit in the pocketbook.

Quite a few police personnel say authoritatively that both our criminal and criminal process laws were written for profoundly peaceful and patriarchal times. A simple example. One still has to bring two witnesses to be present at the arrest of an armed criminal group, exposing them to bullets. Otherwise the entire investigative action will be void. I remember a time when I participated in an arrest. The crime boss met the group of operatives with a Makarov cocked and ready. It did not even occur to anyone to offer armed resistance to him—no proof, no independent witnesses, just some 10 police officers. This is not enough to testify against a crime boss.... Law enforcement reflects the laws. With such a state of affairs it will be impossible to get rid of illegal arms trafficking.

Lately we have been seeing active lobbying for the wild idea of arming people across the board. Well, we can try that, too. Another experiment on our own people. Right now we have 30,000 murders. We will have twice as many. Why not fire a Makarov at a drinking buddy? Not to mention the growth in suicides and accidents. Guns should be taken away, not given out. The seizure of a handgun from a gangster should once again become an extraordinary event carrying very grave punishment. Have not the past few years taught us that one cannot flirt with criminals? They should be crushed. If the government musters up enough will and takes a tough approach, the situation can be improved in a matter of months. Without it, the country will continue to slide into the abyss of runaway crime....

Russia: Threat of Turkey-Based Muslim Empire Seen

964F0825A Moscow ZAVTRA in Russian Jan 96 No 2, p 2

[Article by S. Kurginyan: "The Wolves Are Here"]

[FBIS Translated Text] The terrorist action in Kizlyar imparts an entirely new quality to the conflict in Chechnya. This action is, in a sense, even more dangerous than the tragedy in Budennovsk. The main aspects of what is happening in Kizlyar have been covered extensively by the press and television. But there are a number of highly material aspects in what is happening which will, most likely, be relegated to the background. Yet it is these aspects that are of decisive significance from the viewpoint of an evaluation of what has occurred and the formulation of a system of rapid military and political response. What we are talking about is as follows.

The first point. The Russian community, a majority of Russian specialists, and even many international relations experts are making an inadequate evaluation of the scale of the process taking place in Turkey. Whereas it is a question of tectonic shifts of tremendous significance for all of Eurasia, primarily for Russia and the CIS. The statement of the election-winning Turkish Islamists concerning the need for a reconstitution of the empire in borders from Morocco to Kazakhstan is not empty rhetoric. This is the start of the pursuit of a new policy of real expansionism encompassing a large zone of Russia's vital interests. We are talking not only about the broadly understood interests of Russia (the USSR) but also about the interests of the present nucleus of Russia, what we call the Russian Federation. It is impossible to reconstitute an empire from Morocco to Kazakhstan without affecting, at a minimum, the North Caucasus, Tatarstan, and Bashkortostan.

At a maximum, the proposition concerning such an empire in the mouths of the real winners in the Turkish political race makes problematic the existence of any Russia at all. This proposition signals an end to the particular stage of international politics in which Turkey was assigned the role of stabilizing element within the bounds of a substantial part of the Eurasian continent.

Russia will now find itself for a long time in tight and stiff contiguity with an aggressive geopolitical component laying claim to many of its territories. In this sense the episode in Kizlyar is a probing action. It is a test of whether the master of the present Russian territory has the will to defend if only minimal frontiers, the will to uphold its sovereignty. It is no accident that Salman Raduyev's terrorist squad called itself the Lone Wolf. Raduyev is a member of the Bozkurt (Gray Wolves) neofascist organization. This organization, which even recently was considered marginal by the majority of experts, will now obviously perform a decisive role in Turkish and pan-Turkic grand policy, balancing between the relatively pro-West Turkish militarists and the avowedly fundamentalist forces aspiring to imperial conquests.

"The wolves are here," Salman Raduyev told representatives of the federal forces by radio. Yes, it is "wolves," with all the ensuing consequences, which have come. And these wolves are checking to see to what extent they have stumbled across a pack of hounds, and to what extent they have called upon innocent sheep. There is no doubt that the results of this experiment, which are compromising us, this, figuratively speaking, latest and final "lice test," will be ruthlessly inputted in the computers of the big war for the reconstitution on our bones of a new Turkish and pan-Turkic empire. In this sense, acting from positions of appeasement of the aggressor, our politicians should recognize in full that they, while earning for themselves the dubious laurels of peacemakers in an election race, are simultaneously assuming the role of provocateurs in macro-aggression, whose repulse subsequently will require a very great deal of blood and will with a high degree of probability be attended by the use of unconventional types of arms.

This is the price of the decision, this is what is at stake today.

What is the value, it may be asked, of such warnings under conditions where the president of Russia has already given the order for use of the strongest methods of suppression of the terrorist action. The answer is quite obvious and requires a comparison of the international component and the domestic political component.

So, the second point. At the time of the Budennovsk action the president was in Halifax. At the start of the Chechen war he was experiencing troubles with his nasal septum. At the height of the election campaign he was simply quite seriously ill. Now the presidential race is beginning. Boris Yeltsin is obsessed with a resolve to take part and he has with his latest speeches already begun the presidential election political campaign. The limit of his indisposition was entirely selected. No overseas trips are anticipated. And this means that he has been thrown a challenge, that it is beneath him, 100 percent, without any allowances, that the "Kizlyar bomb" has been placed. Yeltsin has to choose between the humiliating prospect of negotiating by telephone a la Chernomyrdin not even with the adult and relatively full-grown Basayev but with a representative of the new generation of young field commanders. The type for such negotiations was chosen very precisely in this connection. It is now craftily proposed that the president, who has doggedly (and, it would seem to us, justifiably) not consented to negotiations with Dzhokhar Dudayev "himself," ingratiate himself before the eyes of the whole country with Dudayev's son in law, a hitherto third-rate figure of the Chechen military-political process. The president cannot, naturally, permit himself anything of the sort. His response was predetermined, programmed, and....easily used to good effect on both sides.

We cannot fail in this connection to note the astonishing synchronism of a number of processes. Primarily, the launch of the recovered Yeltsin, aggressive peacemaking initiatives, and democrats of both the old and new formations preparing for Duma debate. The new Duma radical democrats represented by, for example, K. Borovoy are in their "aggressiveness" overstepping all bounds, saying that in an hour-long conversation with Dudayev in the early hours of Wednesday morning a common action strategy was devised, that Dudayev has supporters and opponents within the presidential entourage, that there are "no differences between the formal Communists represented by Zyuganov and the actual Communists, who continue to govern Russia [no end quotes published], and that (oh, utmost pearl of eloquence!) **"Dudayev and I**(?!) believe neither."

Such is the position of the radicals. What is more strange is the fact that this position is being adroitly coupled with the celebrated call of 100 distinguished signatories for an end to the war in Chechnya. A call addressed to the president of Russia. Following this call, television commentators are beginning to hint transparently at the degree of dependence of a president preparing for elections on the support or obstruction of the signatories. I would not want to call this direct blackmail according to the principle: "Collapse of Russia in exchange for political support at the elections!!!" But how else can we define what this whole bouquet of peace-loving positions reeks of?

But the spectrum of political maneuvers and schemes surrounding the Chechen topic is not confined even to this. Specialists maintain that the possibility of broad and contradictory political alliances within the range of this topic, alliances united by the celebrated "against whom will we now be friends," is being studied. Such alliances are being coupled in sufficiently well-tested fashion with the possibilities of the future election campaign, with the prospects of the struggle for power. Power over what? A conclusively shredded country paralyzed by political strife occurring against the background of aggression which is in preparation? Nonetheless, experts do not rule out the possibility of the mediated reconciliation of a project of the radical democrats requiring the immediate withdrawal of the troops from Chechnya and a project "with a pro-strong state tendency" contemplating study of the question of the separation of Chechnya from Russia within a five-year timeframe. According to the "pro-strong state" advocates' intention, this project is to be an alternative, as it were, to the impatient love of peace of the radical democrats. This is not the case in practice, of course. Tactically, a "pro-strong state" five-year plan of the de-Chechenization of Russia would always lose out to initiatives formed according to the "here and now" principle. The soldiers' mothers want no five-year plans. Each day is dear to them. Their behavior is governed by natural impatience. So even the tactical vulnerability of a "five-year amputation plan" is quite obvious. And the utmost strategic vulnerability of this design is entirely obvious.

There is no alternative in this design to the immediate withdrawal of the troops. But there is a concealed dubbing-in strikingly reminiscent of the dubbing-in that occurred at the Congress of People's Deputies of the USSR in connection with the separation of the Baltic. Alas, whether we like it or not, the parliamentary battles of 1996 run the risk at Russian Federation level of a repetition of the battles of the people's deputies of the Union level of the era of the disintegration of the USSR. With the corresponding results, of course!

This is why for many people in the present situation the "moment of truth," the moment of the test of true state majesty, the moment when damage to the fatherland will have to be matched against the gains when it comes to one's own political interests, is approaching.

No, the decision of the president of Russia alone will decide nothing at this time! It is something else that will decide. And it is in this "decisive something else"—the opportunely and appropriately appreciated factor of the macro-threat hanging over the exhausted country—that the factor of profound and ominous nonpeaceableness (ensuing from the new Asia Minor realities) **is bound to play its part!** Especially since the Kizlyar action by no means exhausts that for which it is essential that we all prepare ourselves in advance.

Whence the third point. Salman Raduyev did not choose explosive Dagestan for his attack by accident. Even today events in this region could set the peoples of

Dagestan against each other and hereby ignite the whole of the North Caucasus. It is possible that by the time these lines appear in the press, the conflagration of such fratricidal strife will already have begun to smolder. The political life of Azerbaijan is developing in ominous fashion. Dangerous detonators have been laid in Bashkiria and a number of other regions of Russia. The detonation of the Cossacks throughout the south of Russia and the North Caucasus is virtually inevitable this time. The contradictory reports coming from the region prevent as yet a clear-cut assessment of the scale of the possible detonation. But it is already clear that it will be sharply higher than the "Budennovsk" detonation.

In addition, we are once again encountering the pressure of the news media, the heart-rending portrayal of women and children who have found themselves hostages of the gangsters, and the shock rhetoric of abstract humanism accompanying this intolerable heartache. And the grinning faces, familiar to us all, of the Chechen "green headbands." We would recall that before this we had been "saturated" for almost six months with the weeping of Russian mothers over their sons who had fallen in Chechnya. A strange and telling point—we see on the television screen on the one hand only Russian boys in military uniform in the grip of a pacifist mood and dreaming of returning at all costs to peaceful joys and, on the other, only Chechen heroes longing for a sacrificial jihad. We know that the true moral temper of the forces is different, but.... "truth is a lie repeated many times over"....on the television screen.

What we have is another propaganda shock, the latest round of the game of our electronic media in a strange and sinister field. Games of images, signs, shock phrases, and petty and major juggling and substitutions. And against this background....the demands of the terrorists for the withdrawal of Russian troops are now being addressed to all (!) of the North Caucasus. We have already spoken about the fact that it is not at all difficult to imagine how interethnic strife in Dagestan could erupt under the present conditions. We would recall merely that Dagestani Chechen-Akkintsy have long and doggedly resisted being pulled into the conflict on the territory of the Chechen Republic! We would recall also that inspired words about the Avartsy taking Chechen, that is, Akkinsko- Chechen, hostages have already been let out.

So the least spark thrown into the catastrophically inflamed highly explosive North Caucasus milieu, the least imprecision in the balance of words and actions of the center—and a chain reaction of "North Caucasus Karabakhs" will begin.

And then....then with what we are familiar from Karabakh: "Russians, you are in the way of all of us!... Go!..." Go for how long and where? As far as the sword of the new imperial conqueror reaches?

Is the country ready for this? Undoubtedly not. But are our politicians, our intellectual elite, our military and administrative bureaucracy ready for this? There is no room for any certainties [as published] in the answer to this question. As there is no room for them in the answer to the question of how the country's elite will behave in a situation of the easily predictable escalation of terrorism caused by the tough action to suppress it in Kizlyar.

Let us remember that the wolves are truly here. In earnest and for the long haul on this occasion. What and who will greet them within the framework of this unannounced visit?

Regional Affairs

Russia: Regions Slow To Implement Federal Laws

964F0795A Moscow ROSSIYSKAYA GAZETA in Russian 6 Jan 96 p 3

[Article by Aleksandr Aleshkin: "'We Approve!' But Nothing Moves"]

[FBIS Translated Text] Law-making instruments that are adopted by the federal authorities frequently just spin their wheels at the lower levels of power.

It would seem that what we have here is a relapse into a disease about which much was said at the dawn of perestroyka, when the former authorities were predisposed toward inaction: A multitude of all kinds of correct and good decrees were being adopted, allegedly, but a complete hash was being made of their fulfillment.

Something similar is being observed now also. True, complaints are being heard both on the part of the theoreticians determining the course of the reforms and on the part of the practical experts directly involved in the reform of society: The requisite laws and edicts are lacking, the legal base has not been prepared. But the fact that a multitude of valuable documents have been both adopted already and signed needs to be recognized also.

But the trouble is that many of the laws, edicts, and other prescriptive documents that have already been adopted are not working properly. To put it no more strongly than that.

On an editorial assignment the paper's own correspondents Nikolay Kireyev (Tula), Bulat Kalmantayev (Orenburg), and Viktor Metchikov (Kursk) tracked the "workings" in the heartland of certain federal documents. This is what the check revealed.

In 1993 President of the Russian Federation Boris Yeltsin signed the directive "Action To Provide With Housing Persons Discharged From Military Service or Into the Reserve and Officers of the Internal Affairs Authorities and Members of Their Families Also." A supplement to the document ordered more than 12,000 square meters of living quarters to be built for this category of citizens in Orenburg Oblast, in particular.

An altogether typical situation arose: The directive was signed, but the pertinent departments had not worked up the material backing for its implementation. Aleksandr Zelentsov, deputy governor of the oblast, had to make a nuisance of himself at the Ministry of Finance and the Ministry of Defense to "shake loose" the money. In the first year two-thirds of the planned funds were obtained, for the next year, even less—only one-third. Of the 26 billion rubles, only R2.8 billion was received last year.

In short, living quarters are being built for the retired servicemen. But those last in line will obtain keys, our own correspondent estimates, in seven or eight years, at best. The directive did not, of course, envisage this timeframe for its execution.

An even more telling example of interdepartmental muddle is cited by our Tula correspondent.

On 13 July 1993 the Government of the Russian Federation adopted a decree on the so-called Tula experiment. The president signed an edict in its development on 10 March 1994. The burden of the documents was the development and running in of a model of the reform of agricultural production. The first steps in realization of the program had shown that there had also to be one further important document regulating the system of rural taxation.

A group of specialists, which was led by Governor Nikolay Sevryugin (it is important to emphasize that he knows about problems of the countryside not from books, he has been connected with them all his life), prepared the draft federal law "Refinement of the Taxation of Enterprises of the Agro-Industrial Complex of Tula Oblast."

On 13 June 1995 the Government of the Russian Federation instructed the Ministry of Economics to examine this matter. Findings appeared on 16 June above the signature of First Deputy Minister A. Shapovalyants which supported the Tula people's proposal concerning a trial run of the mechanism of the collection of a uniform land tax in the oblast.

But the experts, while on the one hand having approved the project, as it were, created, on the other, a true masterpiece of pettifoggery. Because in the wake of the approval, a paragraph later, they deemed it expedient to tax enterprises of the agro- industrial complex on the same terms as enterprises of industry, construction, trade, and other branches. And this means the burial, essentially, of the main idea contained in the project. Which is confirmed by the tailpiece of the scholarly treatise: "The Ministry of Economics does not support the oblast administration's proposal concerning the adoption of a federal law on this matter."

Now the governor is cudgeling his brains over the riddle: Does the Ministry of Economics support the Tula experiment, which was begun in accordance with a decree of the federal government and an edict of the head of state, or not?

The biggest headache is being caused by the legal documents connected with privatization. This is understandable: There is so much at stake. There is frequently an irreconcilable clash of corporate interests here, and everyone endeavors to interpret in his own way, to his own advantage, the verdict that has come down from the capital.

An incident that occurred in Kursk is typical in this respect. Police officers armed with assault weapons showed up at a meeting of the board of directors of the Kurskagropromproyekt public stock company. The next day an order appeared dismissing two lead engineers—A. Kovalev and G. Ivanov. Their participation in the meeting of the said board was termed "sabotage." What follows is the background.

The edict of the president of the Russian Federation "Organizational Action To Convert Publicly Owned Enterprises and Voluntary Associations of Publicly Owned Enterprises Into Joint- Stock Companies" was signed on 1 July 1992. It was on this basis that the Kurskagropromproyekt Design Institute was corporatized. In December of the same year the stock company was registered in the established procedure.

But this was a purely formal act of privatization. The old custom of bureaucrats was at work—to report: "Shall be done!" Essentially, however, everything stayed the same as it was. For two years the employees of the institute, who had by a stroke of the pen become shareholders, demanded that a meeting be convened. To no avail. The local authorities ignored both the representation of the oblast's prosecuting attorney and the directive of the State Property Committee to the effect that the legitimate rights of the shareholders were being violated at the Kurskagropromproyekt joint- stock company.

Then an action committee, with a sufficient number of shares for such a decision, held a meeting itself. A board of directors and a president were elected. The entrepreneur Vladimir Korobov, who had at auction purchased a sizable package of shares of the Kurskagroprompro-yekt, became president. It was the newly elected president who was conducting the meeting of the board of directors at which the armed guardians of order showed up.

This was not the end of the struggle over the privatization of the institute. The prosecuting attorney lodged a protest against the meeting as having been illegal. A new one was held. This was essentially the "presentation" of an entirely different stock company re-registered with reference to the government decree. Cooperative property (kolkhoz property, that is), which initially had been "forgotten" about, appeared in the authorized capital. Its share was set at 69 percent. The design workers had in their hands two different share certificates for one and the same property.

What purpose was achieved? Not, in any event, that which had been set by the presidential edict. The design workers have, in fact, become even more lacking in rights than prior to the corporatization. Whereas earlier they could meet as a work force and express no confidence in a manager, say, now people are coming from outside and deciding everything for them. The kolkhoz chairmen are hardly the owners, although it is they who hold the controlling block of shares. There looks out from behind the chairman's shoulder, absolutely unconcealed, the true master of the situation— the local government bureaucrat.

Assets are being shared out, as we can see, according to the classical scenario. Previously "order" was imposed by a sailor armed with a revolver, now the intimidation is being done with a Kalashnikov.

But times have changed. There is the law, and it should be executed lawfully.

Russia: Documentary Airs Shaymiyev Achievements

964F0816C Kazan RESPUBLIKA TATARSTAN in Russian 18 Jan 96 p 3

[Article by Sh. Maratov, under the "Together by the Television Screen" heading: "Measured by the Standard of the People's Trust"]

[FBIS Translated Text] Leaning a little on a staff evidently fashioned from a large stick he had picked up, he makes his way confidently up the slope, where his fellow Aktanysh cluster around him, smiling welcomingly. Having exchanged hearty handshakes and words of greeting, they stand still for a moment, spellbound at the beauty of the summer landscape, and then, exchanging animated remarks, they set off for the settlement....

These were the concluding frames of a documentary film on the president of the Republic of Tatarstan, Mintimer Shaymiyev, which was shown the day before yesterday on the Tatarstan channel. Expressed in them was the main theme of the film—the theme of service to individuals, to the people. "I Love People"—that is what the film was named by its creators, journalist Anas Khasanov and director Radik Vildanov. I must admit that at first the name struck me as pretentious, as, has long been justly noted, it is much simpler to love humanity as a whole than to love the specific individual. But as one went deeper into the events on screen, I acknowledged the authors' right to such a title. First of all, these words are taken from the context of Mintimer Shaymiyev's reflections on the duty and calling of the man whom the people have trusted to be the leader and expresser of their interests, their hopes. Second, the authors, through the entire content of the film, convincingly show that this phrase reflects the very essence of the nature and character of Shaymiyev the man and Shaymiyev the president, his deeds and actions.

How did they do this? The authors made the basis of the film narrative crucial, culminative moments in the most recent history of a Tatarstan taking its first steps on the path to sovereignty and to the attaining of statehood. These events, full of Shakespearian passion and drama, are still fresh in our memory. They are the proclamation of the declaration of state sovereignty of the republic and the adoption of its Constitution; they are the national referendum on the question of relations with the Russian Federation and the conclusion of the Treaty on Mutual Delegation of Powers.... In all of these events, as you and I, reader, remember and which was acknowledged by the broad international community, a most important and striking role was played by the first president of the Republic of Tatarstan, Mintimer Shaymiyev.

And really, the search for solutions to each of the problems that I have named was oh, so hard. It was manifested in passionate parliamentary debates of many days' duration, with sharp clashes of opinions and personalities, in strenuous arguments over the television and radio airwaves and on the pages of periodical publications.... And at the thousands-strong illuminated demonstrations on Ploshchad Svobody.... Do you remember that uneasy coldness in your heart at the thought that any moment now the demonstrators would implacably divide themselves by national affiliation? And the passions, the situation, position, and behavior of the Russian mass media and the Russian leadership on the eve of our Tatarstan referendum? The multi-round, exhausting negotiations of the delegations of Tatarstan and Russia on the essence and content of the future treaty?

In these difficult conditions, M. Shaymiyev, made easier by the faith of the people, had to keep a clear head and good sense, guided by the will of the majority and the collective creative work of those who shared his views, to find the truest and most accurate political solutions. That is why you believe his assertion that in the conditions of multinational Tatarstan, the only correct and optimal policy is the centrist policy. Convincing confirmation of this is the preservation in the republic of civic peace and friendship among peoples, and the ever greater international acknowledgement of this and the growth of the international authority of the president of the Republic of Tatarstan.

On screen, Mintimer Shaymiyev is represented for the most part in the midst of the people, among his fellows, be it an official visit to Moscow or to a foreign country, dropping in on a merry drinking bout or a meeting with factory workers and villagers.... And the viewer gets an ever stronger sense that such meetings with the people are a need of Shaymiyev's soul, that by interacting and consulting with the people, he checks on his own thoughts and deeds.

The authors of the film undertook an attempt, and I think not without success, to reflect the internal world of their hero as well, to touch upon the wellsprings of the formation of his world view, his predilections and aspirations, his way of life. The achievement of this aim is facilitated by the professional work of the film's cameramen, E. Gabdrakhmanov, N. Shamsutdinov, and A. Alekseyev. Thus, organically within the fabric of the film were included colorful panoramas of Aktanysh expanses and the Kazan Kremlin, bird's-eye views of neighborhoods in the capital, reaches of the Volga and country landscapes.... Sovereign Tatarstan's trend toward national revival and light is emotionally and vividly expressed by such symbols throughout the entire film as a galloping horse, a sea gull soaring through the blue of the sky, a hydrofoil running along the Volga waves....

*Russia: Smolensk Oblast Crime Situation Detailed

964F0759A Smolensk SMOLENSKIYE NOVOSTI in Russian 11 Nov 95 p 2

[Article by Maksim Kuzmin: "Russian Police—Protecting and Awarding Us"]

[FBIS Translated Text] Yesterday Russian policemen received congratulations on the occasion of their professional holiday. The day prior, in accordance with a long-standing Smolensk tradition, leaders of the oblast Internal Affairs Directorate met with journalists. At such press conferences, police officials do not only render reports on operational results. They also present awards to representatives of the mass media who have labored productively in bringing to light police-related subject material. This year was no exception. Last Friday, 3 November, the press conference in the Internal Affairs Directorate began precisely with this pleasant activity. Among the award recipients was our correspondent Aleksey Gusinskiy, whose modest contribution to the fight against crime was noted by the presentation of a valuable gift (a watch). Presenting the awards was Police Major General A.I. Ryzhichenkov, head of the Internal Affairs Directorate, who disappointed photographers by attending the event in "civvies." Alas, the general's uniform is not yet ready. Such uniforms are made only in Moscow, and not very quickly, it turns out.

Also not very encouraging are the figures characterizing the crime situation in the oblast. A.V. Pantukhov, first deputy head of the Internal Affairs Directorate, asserted that the not very comforting prediction for this year was fully justified. Some 20,516 crimes were registered over the first 10 months of 1995—13.4 percent more than for the same period last year. But the police have not been wasting time either—12,894 crimes were investigated over this period, 10.2 percent more than last year.

The dry figures of statistics hide the painstaking work involved in investigating some very serious crimes. Including contract murders which, though not very frequent, do happen in our city. In February, for example, a local businessman specializing in radio-component sales was shot dead in front of his home. The investigation revealed that his partner had used this method to resolve financial discrepancies. Hired killers accomplished their terrible work for $3,000.

The figures are lower in rural areas but the passions raging here are also nothing to joke about. A wife in Demidovskiy Rayon did not have to spend a lot to get rid of her unwanted husband—criminals from a neighboring village killed the poor fellow for a liter of home brew.

Far from all crimes are solved, of course. We still do not know who is responsible for the explosion on Tenishevaya Street resulting in the death of one individual and serious injury to another. The investigation continues of the multi-billion theft from the joint-stock company Dorogobuzhskoye that caused such a sensation. Internal Affairs Directorate leaders have declined as yet to comment on this.

But the appreciable reduction (by 14.4 percent) in crime in public areas cannot help but lift citizens' spirits. In order to maintain this trend, the decision was made on the Ministry of Internal Affairs level to have internal troops participate in the joint patrolling with police of our city streets. In all likelihood, this decision may soon take effect for the people of Smolensk. Peaceful citizens need not be alarmed at this prospect. The Smolensk Oblast Internal Affairs Directorate is convinced that the more police we have patrolling the streets, the fewer criminals there will be.

*Russia: Increase in Smolensk Wages Offset by Rise in Prices

964F0759B Smolensk SMOLENSKIYE NOVOSTI in Russian 14 Nov 95 p 1

[Unattributed article: "Wages Increasing, but Prices Rising as Well"]

[FBIS Translated Text] According to data of the city Statistics Department, the average wage in Smolensk over the first nine months of this year amounted to about R300,000 a month. Wages of Smolensk citizens more than doubled as compared with the same period of last year. In September, city residents received R400,000 on the average, 9.4 percent more than in August.

Transportation workers fared better than others—their average wage over the nine-month period was R450,000. Communications workers earned R408,000, construction workers—R380,000. As usual, the employees of credit and insurance organs earned more than anyone else—R730,000. People in management are by no means impoverished, earning R477,000. On the other hand, times are tough, as always, for employees in public health, education, and culture. They continue to receive the lowest wages.

As we know, social payments constitute one type of income (material assistance, food payments, transportation payments, etc.). These increased by an average of R33,000 per worker as compared with last year.

Inflation continues to "eat up" increasing income, however. The average monthly increase in prices for consumer goods and services over the January-September period of this year was 8.5 percent (last year—7.3 percent). Maximum rates of inflation were registered in January (17 percent) and February (16.6 percent). Inflation began to decrease with the warmer weather. In March it registered 8.8 percent, May—6.1 percent, August—3.3 percent. But the rate again began to rise in September—4.5 percent. In all, consumer prices and services have risen by a factor of 2.1 since the beginning of the year. The average cost of the selection of 19 basic food products increased 2.4-fold over the nine-month period, amounting to R162,000 per person, per month, in the month of September.

*Russia: Smolensk Unemployment Statistics

964F0759C Smolensk SMOLENSKIYE NOVOSTI in Russian 15 Nov 95 p 1

[Unattributed article: "Unemployed, But Not Unconcerned"]

[FBIS Translated Text] According to data of the city Statistics Department, the economically active populace in Smolensk numbers 180,100 (estimate as of 1 October 1995), 51 percent of the total city population.

Just over 150,000 people (85 percent) were working in various sectors of the economy, while 28,000 (15 percent) were out of work but actively seeking employment. Some 2,300 unemployed (1.3 percent of the economically active populace) were officially registered with the employment service. Over the first nine months of this year, 44,000 individuals (14,000 more than last year) sought assistance from the employment service, but only 7 percent obtained work.

As before, the level of so-called hidden unemployment (less than a full work day or work week, administration-directed leave) continues to be high. In all, 15-17 percent of the total number of people working at large and mid-size enterprises were not in a full-employment mode. Taking this into account, the overall unemployment potential amounted to 40,000, or 20 percent of the economically active populace.

The number of people working at large and mid-size enterprises decreased by 7 percent. The greatest losses were seen in industry and construction. On the other hand, streetcar and trolley transportation, trade, housing and municipal services, public health, education, and credit and management organs increased in strength.

*Russia: Smolensk Duma Reviews 9-Month Economic Figures

964F0759D Smolensk SMOLENSKIYE NOVOSTI in Russian 30 Nov 95 pp 1-2

[Unattributed article: "Economic Decadence, or the Mellow Boredom of Decline"]

[FBIS Translated Text] As SMOLENSKIYE NOVOSTI has reported, a conference took place 23 November in the oblast administration, chaired by A.Ye. Glushenkov, at which the results of the first nine months of 1995 were discussed and prospects for development of the region in 1996 were examined.

Heads of the main committees and administration directorates delivered presentations to those assembled in the form of standard reports and statistics. The following three are most representative (statistical data have been removed for the sake of simplicity, insofar as these do not contribute to an understanding of the overall picture).

The first individual to speak was **N.I. Chmarov, deputy head of the oblast administration and chairman of the Committee on Agriculture and Foodstuffs:**

"We are already able to generalize the results of operation of the agro-industrial complex in 1995. Most agricultural enterprises found themselves in the grips of a severe financial crisis caused by the overall economic and political instability in Russia. The main reason for this situation is nonpayments and the problems associated with mutual accounting. Available income has not permitted agricultural goods producers to acquire the necessary quantity of equipment, enhance soil fertility, pay normal wages, etc.

"Our analysis shows that in 1996 the agro-industrial complex will continue to operate under those same conditions of insufficient financing. Under these circumstances, enterprises of collective and shared forms of ownership will produce gross output approximately equalling the 1995 production level in comparable prices."

At this time, **V.N. Prokhorov, deputy head of administration,** took the floor.

"Oblast leaders have undertaken measures to improve and develop industry, transportation, construction, and housing and municipal facilities management. However, the state of affairs in these sectors, like the economy overall, has not improved. The main reason for the decline is the nonpayments crisis and slow circulation of monetary assets.

"In 1996 the oblast administration, city and rayon administrations, and heads of enterprises and organizations are going to have to determine priority orientations in their operation and avoid getting involved in everything, as is presently the case."

In the opinion of Vladimir Nikolayevich, the oblast administration must:

"determine which cities and rayons are to be given preference with respect to development (special funding, but with mandatory estimates of the return they are expected to yield);

"implement the program of gas supply to the oblast;

"intensify the introduction of promissory notes into use for mutual accounting."

A.Ye. Yashchenko, chief of the oblast financial directorate:

"The income portion of the consolidated oblast budget will be implemented to the extent of 86 percent, of the oblast budget—78 percent.

"Most influential in reducing the income portion of the budget were the production decline and nonpayments crisis.

"We are going to have to sharply limit outlays, by virtue of the failure to fully implement the income portion of the budget. So-called protected budget items will be financed first—medicines, food, wages. Then the oblast administration will try to fulfill its obligations to the rayons and finance budget sectors to the extent possible—public health, education, and culture."

A.Ye. Yashchenko's proposals can be generalized as follows. It is necessary to make a real assessment of the situation in the economy, introduce promissory note circulation more intensively, and work more actively in the government and ministries to dislodge debts to the oblast from within federal structures.

Boredom prevailed in the auditorium. People did not listen to the speakers because each repeated the ideas of the previous one with a certain masochistic pleasure, outlining the picture of decline in a specific sector or particular rayon of the oblast (depending on the speaker's position). And as far as the question "What should be done?" was concerned, all they could do was spout general phrases. **Smolensk Mayor M.G. Zysmanov** tried to put an end to the tedium of public oratory on economic decadence. He indicated a number of measures the oblast administration might undertake to correct the economic plight of the region without resorting to assistance from federal organs of authority and without attracting additional outside sources of financing.

Within the oblast, in the mayor's view, independent measures could be taken, without waiting for a decision from above, to introduce a system of taxation from income, not from profits.

Demands should be made from monopoly enterprises (agricultural production processing entities) that are subsidized from the federal and oblast budgets and nonbudget funds. Stable prices should be established for their production output.

"We can solve the problem of nonpayments and monetary circulation right in the locality, without approaching the federal level," M. Zysmanov stated. "I follow the mutual accounting between stores and suppliers on a daily basis. Here is a simple example. It often happens that money takes 10 days to move from Leninskiy

Rayon through the Dnieper Bank to the joint-stock company Rosa, or to SAKhKO. What is happening to it all this while?

"Words have already been spoken in this auditorium regarding the adverse equipment situation in agriculture. Indeed, this is quite capable of bringing about catastrophe. But look at how many enterprises there are in the city that are not operating at full capacity. It would be entirely possible for them to produce agricultural equipment if a portion of the budget and nonbudget assets designated for rural assistance were redirected their way through special-purpose funding, specifically to effect the technical outfitting of our agro-industrial complex. In addition to providing equipment at stable, contract prices, this would also at least partially resolve the problem of unemployment in industry."

Mikhail Gavrilovich ended his emotional speech with the following appeal:

"Esteemed oblast administration, please resolve the issues that fall under your jurisdiction. Especially since it is possible to do so without interference from above, through the exclusive use of your own assets, your own potential."

Concluding remarks at the conference were delivered by **A.Ye. Glushenkov, head of the oblast administration:**

"The objective of this conference was to point out the financial and economic state in which Smolensk Oblast finds itself. This state has been characterized in the speeches and presentations delivered here. I would like to add the following to what has already been stated. We can draw only one conclusion, a conclusion I arrived at long ago: The rescue of drowning people is a matter for the drowning people themselves. If we want to improve the oblast economy, if we want to have a normal budget, we must activate the entirety of our industrial potential and rely on no one else in this regard."

Anatoliy Yegorovich spoke these striking words as a true advocate and implementer of market reforms. But all the previous presentations of his subordinates somehow failed to fit in with his statement. The mayor of Smolensk was the only individual who tried to chart a path of resolution of at least some of the problems dealing with economic recovery. But he seemed not to be heard, his words just tending to aggravate the already complicated situation with the oblast administration. While oblast administration officials appeared unable to move past the trite recitation of statistical accounting. Unfortunately, no analysis of the economic situation was heard during the conference. No reasons for the crisis paralyzing the operation of sectors of the economy were cited. The magic phrase about nonpayments resounded time and again like an incantation, but no one ever provided the reason behind them or offered a way of struggling against them. Everyone seemed reconciled to the nonpayments, as though they comprised an inevitable evil. Speakers looked mainly to assistance on the part of federal structures of authority to solve the problems confronting the oblast. So much for rescue of the drowning through their own efforts. Everyone is waiting for Moscow to throw a life preserver.

All in all, the prospects for 1996 are quite hazy. Oblast administration leaders seem to be in a state of extreme disarray, hence the submissive resignation to the statistics of decline characterizing the past year. It is precisely for this reason that they can propose nothing in particular for the coming year. Planned measures lack any specificity whatsoever and are limited to general statements.

How boring, esteemed administrators. You might at least do something! If you are able, that is....

Russia: Kabardino-Balkaria Tightens Security

964F0828A Nalchik GAZETA YUGA in Russian 19 Jan 96 p 1

[Unattributed report: "Tight Security Measures Are Being Adopted in Kabardino-Balkaria"]

[FBIS Translated Text] Our GAZETA YUGA correspondent was told at the MVD Press Center that under the conditions of the sharp complication in the operational situation in the North Caucasus region and in connection with the events in the city of Kizlyar and the village of Pervomayskoye, the republic MVD had taken the following action for preventing such terrorist acts on the territory of Kabardino-Balkaria:

1. Personnel of the MVD have been returned to barracks.

2. The security at particularly important facilities and essential-service facilities has been stepped up.

3. Mobile rapid-response police squads have been formed on the republic's border.

4. Extra patrols of the Kavkaz federal highway by State Automobile Inspectorate crews have been organized.

5. Fixed State Automobile Inspectorate posts in border areas have been reinforced by representatives of the Kabardino-Balkar Republic MVD.

6. Other measures to ensure the safety of citizens of the republic are being adopted.

As Major Yuriy Kiporov, acting chief of staff of the Nalchik Border Detachment, told our GAZETA

YUGA correspondent, the Nalchik Border Detachment has received no information on terrorist actions planned in Kabardino-Balkaria.

According to Major Kiporov, security has been tightened at the military base compound in the city and at the border post. The number of servicemen in all details has been augmented, and their personal gear equipment has been reinforced (body armor, helmets, and machine guns have been issued). Servicemen's families are being carefully guarded.

The protection of the border by border details, particularly the Donguz-Orun-Bashi and Azau passes, which can be crossed at this time, has been reinforced. Search groups are dispatched daily to monitor these passes.

Border detachment reserves are on 30 minute readiness for operations according to the situation.

A motor-mobile group has been dispatched from the Nalchik Border Detachment to Dagestan to beef up security on the administrative border between Dagestan and Chechnya. It is not taking part in combat operations and is in reserve. All the soldiers and sergeants of this group were picked on a volunteer basis and each has signed the corresponding report.

As Talostan Tenov, deputy minister of security of the KBR [Kabardino-Balkar Republic], told our GAZETA YUGA correspondent, there has been no reliable information on the preparation of terrorist acts on the territory of the republic. The ministry has taken action in accordance with the edict of the president of the KBR of 11 January. There are no Ministry of Security officers, according to Talostan Tenov, in either Dagestan or Chechnya.

Major General Ruslan Yeshugaov, chief of the Office for Organized Crime in the North Caucasus, declined comment until the situation in the village of Pervomayskoye had been resolved.

Russia: Minister Assesses State of Economy

964F0828B Nalchik KABARDINO-BALKARSKAYA PRAVDA in Russian 19 Jan 96 p 1

[Comments of M.M. Tsikanov, minister of economics of the Kabardino-Balkar Republic; place and date not given: "The Past Year Was for Us Historic"]

[FBIS Translated Text] The newspaper has already reported that a session of the Cabinet of Ministers (Government) of the KBR [Kabardino-Balkar Republic], which, specifically, considered the item "Composite Financial Balance for the Territory of the Kabardino-Balkar Republic for 1996," was held on Saturday. Interesting and cogent information in this connection was presented by KBR Minister of Economics M.M. Tsikanov.

The discussion merits attention, it seemed to us, and for this reason we asked Mukhamed Mukhamedovich to tell us about this problem. Today we publish his comments:

Before getting to the heart of the matter, I will say that compilation of a composite financial balance means painstaking and prolonged work and a complex process requiring considerable creative and mental effort. And not only that.

A few points in this connection which I would like to recall. Specifically, the past year was historically unprecedented for the leadership of the republic. In the sense of work in the federal authorities. We are accustomed, as it were, to modesty. **Nonetheless, it may be said without false modesty that the past year was for us historic.**

First, Decree No. 761 "Action To Fulfill Edicts and Decrees of the Russian Federation," in accordance with which we are entitled to claim a sum of 932 billion rubles, was adopted.

Second, Decree No. 1244 "Stabilization and Development of the Economy of the Kabardino-Balkar Republic and the Free Economic Zones on Its Territory," in accordance with which we may claim a sum of approximately R500-600 billion, was adopted. This is not counting other economic and financial levers which are accorded by this decree. I have already observed that such a document is without precedent in our history.

Third, Decree No. 373 of the Russian Federation of 20 April 1955 "Funding of the Program of the Development of the KBR Oil Industry," according to which we may expect a sum in the range of up to R250 billion, was adopted.

Fourth, V.S. Chernomyrdin's instruction "Drafting of an Earmarked Federal Program of the Socioeconomic Development and National-Cultural Revival of the Balkar People," according to which, if we bring it to a conclusion, we will have been able to have claimed a sum in the R90-100 billion range, was signed on 31 December 1995.

Fifth, there is the instruction of B.N. Yeltsin and V.S. Chernomyrdin "Program of the Development of the Elbrus Region" to bring it up to Olympic standards.

These, if you'll excuse the repetition, are the results of the work in the federal authorities in the previous year and are a base, as it were, not only for 1996 but for the more distant future also.

The composite financial balance of the republic was put together, specifically, in consideration of all this. It was compiled on the basis of a forecast of the main indicators of the socioeconomic development of the Kabardino-Balkar Republic for 1996. The revenue of the composite financial balance in 1996 is put at R4.312 trillion, including our own revenue of R2.578 trillion or 60 percent.

The main source of revenue is profit, which is put for 1996 at R840 billion or more than 32 percent of our own revenue. Considering the end of the decline in production and the resumption of economic growth and also thanks to the reduced cost of credit and the reduction in the arrears, profit will almost double in 1996 compared with the anticipated 1995 profit. Industrial enterprises will account for approximately 50 percent of the sum total of profit.

With regard to the forecast wholesale price indexes and the revaluation of fixed capital in 1996 by a factor of 1.5 and also the stabilization of production planned in 1996, balance profit will constitute R405 billion. The profitability of industrial production will rise to 13 percent here in 1996 compared with the 11 percent expected in 1995.

An adverse situation is shaping up in agriculture. In 1994, despite the action taken by the government, two-thirds of agricultural enterprises operated at a loss. In connection with the further reduction in grants and sums of compensation to agricultural commodity producers, a profit at agricultural enterprises is not anticipated.

Proceeding from the growth of the overall amount of profit and also with regard to the planned measures for an increase in the tax- collection rate, actual budget revenue will increase. This applies particularly to indirect taxes, specifically, value-added tax, which will constitute R176 billion in 1996, including R44 billion per the composite KBR budget. The rate of profits tax is forecast in an amount of 35 percent, at the 1995 level, that is. Correspondingly, profits tax will constitute approximately R188 billion, considering carryover payments.

In accordance with the law 64-FZ of the Russian Federation of 25 April 1996 [as published], account is taken of the abolition as of 1 January 1996 of the tax for having exceeded the labor compensation fund and, in accordance with federal law 25-FZ of 23 February 1995, of the abolition as of 1 January 1996 of the special tax for support for particular branches of the national economy. **In turn, a special tax for financial support for the most important branches of the national economy of the Kabardino-Balkar Republic will be introduced on the territory of the KBR as of 1 January 1996. Receipts per this tax will be channeled into the budget of the KBR in full, therefore.**

Personal taxes have been determined for 1996 on the basis of the forecast labor compensation fund of R1.225 trillion and current taxation rates. Receipts per this tax will constitute R107 billion, including R96 billion for the KBR budget.

It should be noted that part of the additional receipts of these taxes has been brought about by the increase in the expenditure on compensation for labor in connection with the abolition of the tax for having exceeded the labor compensation fund. The calculations anticipate an increase in receipts from privatization and the use of state property.

In accordance with the measures specified by the government program and, specifically, the transition from the transfer of state property predominantly free of charge to its sale at prices determined by the market, receipts will constitute approximately R4 billion, some of which will, in accordance with current legislation, be channeled into the development of the market infrastructure.

Depreciation charges, which will increase owing to the revaluation of fixed capital, the indexation of depreciation charges, and the application of accelerated depreciation, will be most important earmarked revenue sources for the funding of investments. **Implementation of the new depreciation policy will make it possible to increase depreciation to R449 billion in 1996.** It is essential to ensure that the said funds be used strictly according to their specific purpose, that is, for investment needs.

The revenue structure takes account of the resources of statewide extra-budgetary social funds (the retirement fund, the social insurance fund, the insurance medicine fund, and the employment fund). Expenditure of the monies of these funds is envisaged strictly for the financing of the corresponding social expenditure. The resources of earmarked budgetary funds and expenditure thanks to the said resources in accordance with current legislation are envisaged also. **Considering what has been said, total revenue will constitute some R4.312 trillion in 1996, including centralized state revenue of R3.155 trillion.**

Total financial resources generated in the republic for 1996, in accordance with the current norms in the financial system, will be distributed as follows: **R730 billion (28 percent) will be channeled into the budget of the KBR, and R319 billion (12 percent), into the budget of the Russian Federation, extra-budgetary funds of**

the KBR will constitute 14 percent, federal extra-budgetary funds will constitute 0.3 percent, and 45 percent will be at the disposal of the enterprises. Thus of revenue of R2.578 trillion, the republic will keep R2.25 trillion or 87 percent. The rest will be channeled into federal needs.

Expenditure of the composite financial balance is forecast with regard to strict economies in resources in the realization of state structural policy. Gratis budgetary funding will be preserved predominantly for socially significant facilities which are of a noncommercial (non-profit-making) nature and which lack their own sources of financing. Considering this, expenditure of the financial balance on centralized and local state investments will amount to approximately R340 billion in 1996, including R250 billion from the federal budget.

At the same time the enterprises will have sizable resources for investments. **As indicated above, the depreciation charges at the disposal of the enterprises will increase considerably and constitute over R449 billion in 1996.** The procedure of the exemption from taxation of profit channeled into investments will also be continued to support investment activity. **Considering the forecast amounts of enterprises' financial resources and the current system of taxation, business entities will have at their disposal after tax over R1.1 trillion in 1996.**

Expenditure linked with support for the national economy, the investment of federal and regional programs, and the funding of social and cultural activities, funds channeled into the upkeep of the administrative institutions and the law enforcement authorities, and also miscellaneous expenditures are distinguished in the structure of the republic's financial expenditure. **The most significant financial resources will be channeled into social and cultural activities (R1.627 trillion or 38 percent).**

The expenditure of Kabardino-Balkaria in 1996, not counting the funds channeled into the budget of the Russian Federation and federal extra-budgetary funds, will constitute R3.984 trillion. If expenditure is viewed per source of funding, the KBR budget will support 41 percent of the expenditure, and KBR extra-budgetary funds, 9 percent. The budget of the Russian Federation and federal extra-budgetary funds and enterprise resources will account for 13.8 and 29 percent respectively.

Russia: Minister Details Foreign Economic Ties

964F0828C Nalchik KABARDINO-BALKARSKAYA PRAVDA in Russian 19 Jan 96 p 2

[Interview with A. Yemuzov, minister of external relations of the Kabardino-Balkar Republic, by A. Rekhviashvili; place and date not given: "We Are Strengthening the Authority of the Republic"]

[FBIS Translated Text] As our newspaper has already reported, an enlarged meeting of the collegium of the Ministry of External Relations of the KBR [Kabardino-Balkar Republic] has been held. It considered the results of activity in the past year and mapped out the objectives for the future. But no detailed analysis can encompass all that may be learned from a live discussion, as they say, as to what determines the style and methods of work in this department.

We met, therefore, with Minister Anatoliy Guzerovich Yemuzov and began our interview with what determined the ministry's activity in the past year.

[Yemuzov] We channeled the main efforts into the accomplishment of the objectives ensuing from the message to the Kabardino-Balkar Republic Parliament of KBR President V.M. Kokov. I may observe with satisfaction that the negotiating process of the creation of a so- called "good-neighbor zone" around our republic was completed in the past year. Treaties were concluded with all components of the Russian Federation of the North Caucasus region. There is room enough in it for all, and it will expand thanks to treaties on friendship and cooperation with other components of the Russian Federation.

Within the framework of these treaties with Adygea, Abkhazia, Karachay-Cherkessia, and Dagestan, cooperation agreements were signed at corresponding ministry and department level in the most important spheres: the economy, trade, transport, communications, science, education, health care, culture, the fight against crime and law-breaking, the press and information, sport, and youth policy. Agreements on trade and cooperation were signed for 1996 also with 10 components of the Russian Federation outside of our region.

Packages of agreements with the Republic of Ingushetia, the Republic of North Ossetia-Alania, Krasnodar and Stavropol Krays, and Rostov Oblast with regard to the specific features of each of our partners have been prepared at this time.

Our agreements with the government of the city of Moscow constitute a separate block. Within the framework of the Agreement on Cooperation Between the Kabardino-Balkar Republic and Moscow of 10 October 1994 agreements have been signed on cooperation in the sphere of culture, health care, and education and have been prepared on cooperation in the field of economics and questions of interethnic and interregional relations.

An expert opinion of the Russian Federation Ministry of Foreign Affairs on a protocol on cooperation with the

Turkish Agency for International Cooperation (TICA), which operates under the aegis of the Ministry of Foreign Affairs of Turkey, has been obtained. It is planned to sign this protocol in the near future.

The Agreement on Trade and Economic Cooperation with Turkmenistan is in the process of reconciliation and expert evaluation.

[Rekhviashvili] This as regards interstate relations, but individual enterprises, institutions, and organizations can cooperate within their framework. And there are probably many such examples?

[Yemuzov] We believe that the time has come to take advantage of the legal base which the treaties and agreements have created. It makes it possible to establish contacts directly. And there are more than enough examples here. Thus the Kabardino-Balkar State University has signed an agreement on cooperation in the sphere of the training and retraining of scientific personnel and research work with the fraternal higher educational institutions of Adygea and Karachay-Cherkessia, and the Ministry of Health and Resorts of the KBR, a mutually advantageous contract with the Military-Medical Directorate of the North Caucasus Military District.

[Rekhviashvili] We can cooperate with our closest neighbors, they know the situation in our region. But elsewhere we are judged by the events that are currently occurring near the republic's borders. Is this not affecting the negotiating process?

[Yemuzov] Of course, the proximity of the centers of tension is making itself felt not only in Russia but overseas also. For this reason our efforts in international political, cultural, and humanitarian relations are geared to the demolition of the cliched notion of the whole of the North Caucasus as a zone of instability, military conflicts, and terrorist acts. This is a difficult task, but it is feasible if more active use is made of the entire arsenal of available resources—from the exchange of festivals of culture through the invitation of foreign diplomats accredited in the Russian Federation and representatives of international organizations to our republic. The achievement of this goal will become even more realistic if we can enlist our regional neighbors in its accomplishment. This is why we consider urgent a meeting in the capital of our republic under the aegis of the Russian Federation Ministry of Foreign Affairs of the leaders of all departments dealing with external relations in the North Caucasus. This measure would not only have a salutary effect on the coordination of international relations but would also exert a positive influence on the foreign economic sphere of our activity.

[Rekhviashvili] Can you speak about this in more detail?

[Yemuzov] An analysis of the development of foreign economic relations shows the existence of a steady interest in Kabardino- Balkaria among foreign investors. Proof of this is the dynamic growth of the stream of foreign delegations via both official and unofficial channels. And the geography of the countries whose citizens are visiting the republic is extraordinarily wide, what is more: the United States, Turkey, Germany, Italy, Ireland, Britain, Jordan, Syria, China, South Korea, Japan, and others. Thus whereas in 1993 there were approximately 40 foreign delegations visiting the KBR along economic cooperation lines, in 1994 there were more than 80. And whereas in connection with the events in the Chechen Republic the start of 1995 was marked by a sharp decline in activity on the part of foreign business circles, there is a pronounced change for the better in the situation at the present time.

An agreement with the Ministry of Industry and Trade of the Hungarian Republic on trade and economic and production cooperation was signed last year.

P. Henderson, a businessman from the United States, registered in conjunction with representatives of the KBR three joint ventures for the production of seeds and the processing of meat and dairy products. He and another American businessman, Denis Lait, brought to the farms of Mayskiy Rayon Alfa-Alfa seed material and fruit tree saplings. The supply of a consignment of cattle for allocation to the republic's stockbreeding farms for the further reproduction of promising meat and dairy breeds is expected in the spring of 1996.

Two visits were paid to the KBR in 1995 by the Cypriot businessman George Hadjigeorgiou, president of Daisy International Inc. Specific areas of mutually profitable cooperation were discussed in the course of negotiations with the Government of the KBR, with the participation of Hadjigeorgiou and American and Yugoslav businessmen. Agreement was reached on the opening of an office of Daisy International in the KBR and, accordingly, of the Kabbalkagropromsnab Stock Company on Cyprus.

The first two sets of contracted equipment of sausage-making mini-plants were received from Bulgaria on 12 July of last year.

There were also other important meetings with representatives of business circles of well-known overseas firms, which will undoubtedly prove beneficial.

[Rekhviashvili] What can you say about other aspects of the relations?

[Yemuzov] Together with the representatives of business circles of foreign states, visits were paid to the

Kabardino-Balkar Republic by delegations and representatives of foreign political and public organizations and the embassies of Israel, the United States, Bulgaria, Denmark, Sweden, Hungary, Turkey, and Tajikistan. A great deal of work was performed in the course of these visits on the establishment and expansion of contacts both with representatives of the official authorities and of international and public organizations of the said countries.

They were of a get-to-know nature, and their purpose was to study the socioeconomic and political situation of the republic. A market study of it for the future is being made, and our potential investors make no secret of this.

With the aim of strengthening and expanding the diverse ties, I and the leaders of other ministries and departments have paid visits to various countries, explained the true state of affairs, and established fundamentally new areas of cooperation.

Much is being done along the lines of the Rodina Association for a strengthening of all-around ties to compatriots living abroad.

[Rekhviashvili] Law-making activity is no less important. What proportion does it occupy in the activity of your ministry?

[Yemuzov] Quite a substantial proportion. We have prepared for consideration in the KBR Cabinet of Ministers for a second time the draft KBR law "Revisions to the Law of the Kabardino-Balkar SSR 'Foreign Investments in the Kabardino-Balkar SSR.'" The bills "Foreign Economic Activity in the Kabardino-Balkar Republic," "Free Economic Zones in the KBR," and "Concessions" have been drafted and will very shortly be submitted for consideration by the KBR Cabinet of Ministers. Following consideration by the government, these draft laws will be transferred to the KBR Parliament. We have also presented to parliament with the corresponding criticisms and addenda the draft law of the KBR "State Guarantees of Foreign Investments in the KBR." The draft Statute on Permanent Missions of the Kabardino-Balkar Republic in Components of the Russian Federation and Overseas has been prepared.

[Rekhviashvili] It can be seen from what you, Anatoliy Guzerovich, have said, and we have all satisfied ourselves that this is the case, that the Ministry of External Relations is doing everything to enhance the authority and prestige of our republic both in Russia and in the international arena. But you are not, I believe, wholly satisfied with the work that was performed in the past year?

[Yemuzov] I consider an oversight in our activity the insufficient attention that was paid to the practical realization of the treaties and agreements that were signed. We will eliminate the factors behind some of them not working.

Relying on accumulated experience and the practice of international dealings and taking advantage of the propitious social and political and socioeconomic situation of our republic, we will work actively to expand and strengthen the diverse ties to the components of the Russian Federation and foreign countries and to attract domestic and foreign investments.

We have already approved the plan of work for the present year. We have mapped out a whole set of measures to further stimulate the activity of our ministry.

Russia: Nationality Situation in Republic Assessed

964F0793A Nalchik KABARDINO-BALKARSKAYA PRAVDA in Russian 16 Jan 96 p 2

[Interview with Alim Inzrelovich Tetuyev, candidate of historical sciences and first deputy chairman of the Kabardino-Balkar State Committee for Nationalities, by R. Kronik; place and date not given: "The Republic Got Through the Year in Peace and Harmony"]

[FBIS Translated Text] An enlarged meeting of the collegium of the State Committee of the Kabardino-Balkar Republic for the Affairs of Nationalities has been held. It discussed the results of work in 1995 and the plans for the present year. How ethnic and political problems are being tackled in our multinational republic is described by Alim Inzrelovich Tetuyev, candidate of historical sciences and first deputy chairman of the Kabardino-Balkar State Committee for the Affairs of Nationalities.

[Tetuyev] The past year was for us one of peace and harmony. And this is, perhaps, its most important result. Whence also the other positive changes: The decline in production was halted and the trends toward a stabilization of society's living standard that had emerged were consolidated. The constructive cooperation of the president, parliament, and the government of the republic providing for the successful reform of the political and economic systems of the KBR [Kabardino-Balkar Republic] implants optimism.

Our work was constructed within the channel of these transformations also. It was geared to the accomplishment of objectives connected with the rehabilitation of the victims of political repression, the repatriation of compatriots living overseas, and the drafting of programs in realization of the Law of the KBR "On Languages of the Peoples of the Kabardino-Balkar Republic."

[Kronik] Judging by its repercussions, this law has evoked great interest in the population of the republic. Tell us about your program in more detail.

[Tetuyev] Considering the need for official support for the languages of the peoples of Kabardino-Balkaria and their full development and functioning on the territory of the republic and observance of the unconditional rights of the citizens of the KBR to the development and unrestricted use of their native languages in the political, social, economic, and other spheres of life, the State Committee for the Affairs of Nationalities prepared in accordance with a directive of the Cabinet of Ministers of the KBR a draft official program in realization of the law. It was approved by the cabinet and presented for confirmation to the KBR Parliament Council of the Republic.

The purposes and objectives of the program consist of an enhancement of the general status of the languages of Kabardino- Balkaria, an acceleration of its evolutionary development, and adaptation of the structures of linguistic culture to modern conditions. It presupposes the utmost expansion of the social base of the languages of the peoples of the KBR, an increase in the number of those with a command of them, and the creation of favorable conditions of their use in all walks of life both on the territory of the republic and beyond.

The program takes account of the proposals of ministries and departments, specialists of the Kabardino-Balkar State University and the KBNIIIEF, and public associations. It contains 12 sections encompassing the legislative base, teaching, scientific study, the training of personnel, and the propagation of the languages of the peoples of the republic, national minorities included. The program is geared to a 10-year period and envisages phased realization.

Closely connected with it also is the Program of the Revival and Development of the Culture of the Peoples of Kabardino-Balkaria, which was proposed by the Ministry of Culture and ourselves and which has been presented to the Ministry for Nationalities of the Russian Federation for incorporation in the federal program.

[Kronik] As before, the question of the rehabilitation of the victims of political repression agitates many citizens of the republic also.

[Tetuyev] And this is understandable, for it concerns not only many families but also entire peoples which suffered in one way or another from the lawlessness of the 1930's-1950's. The MVD authorities have as of this time rehabilitated approximately 33,000 persons, including more than 30,000 Balkars, more than 2,000 Kabardin, 350 Cossacks, 360 Germans, and 150 persons of other nationalities.

The layout, consruction, and modernization of more than 200 social and cultural and production facilities have begun within the framework of the Federal Program of the Development and National- Cultural Revival of the Balkar People geared to the period 1996-2000. The payment of lump-sum allowances to all rehabilitated persons of Balkar nationality, including those born in places of exile prior to 11 February 1957, has been completed. The construction of a memorial complex to the victims of the genocide has begun in Dolinsk, and the feature film "Road to the Edge of Life" devoted to this theme was premiered this November.

Much is being done also for the rehabilitation of the Cossacks. In areas of their compact residence they have been allocated land for communal use. The Tersko-Malkinskiy Cossack District has been allocated premises and sums of money for measures pertaining to cultural revival. The question of the creation in the republic of a state Cossack choir is being settled also.

And there is one further important fact that I would like to mention: The payment of compensation for a house and grounds and assets that were confiscated or left ownerless in the period of the repression has begun.

[Kronik] It should be acknowledged that so serious an attitude toward the ethnic problems of the peoples of the KBR has made it possible to take more fully into account the national interests of all the peoples of the republic and to create the conditions for their democratic development and thereby to prevent conflicts arising also.

[Tetuyev] Not the least part was also played, I believe, by the committee's close collaboration with political and public associations. Particular attention was paid to interaction with the KKN, Adyge khase, NSBN, and Tere national movements, the Tersko- Malkinskiy Cossack District, and the Russian-Speaking Congress. As you will recall, in March 1995 the State Committee for the Affairs of Nationalities and the Ministry of Justice of the KBR appealed to them for the unification of all national parties and movements (Kabardian, Balkar, and Russian-speaking in the Adyge khase, Tere, and Rossiyane respectively) in order that they might channel their efforts into the revival and development of the humanitarian heritage of the peoples, spiritual values, national distinctive traditions, culture, and interethnic and interpersonal relations. Unfortunately, our call has not yet been heard. Nonetheless, the explanations of the nationality policy of the KBR to the public are making it possible to find common interests with the national movements, which are contributing to the consolidation and the strengthening of the unity of Kabardino-Balkaria.

Action is being taken with the committee's active participation for satisfaction of the ethnic and cultural interests of the national minorities living in the republic. Close contact with the Tovushi, Chinsen, Nikhas, and Ellada national-cultural centers and others has been established.

It is thanks to this work by the republic's national movements that the peoples of Kabardino-Balkaria have not been pulled into the Chechen conflict.

The elections also contributed to the strengthening of the ethnopolitical situation in the republic. In connection with the fact that more than 20 representatives of Kabardino-Balkaria ran for deputy of the State Duma per the federal electoral district, the president and the Government of the KBR opted for the correct tactics, supporting the Russia Is Our Home bloc. This secured the election as deputies in single-seat District 13 of V.K. Sokhov, and on the federal slate, of M.M. Ulbashev and V.Kh. Temirzhanov.

And the KBR Parliament decided that the chairmen of both chambers would on the basis of the rotation principle represent by turns the republic's legislative body in the Federation Council of the Federal Assembly of Russia. At the initial stage of the work of the upper chamber, what is more, this right was accorded M.N. Zhaboyev, chairman of the Council of Representatives, which will undoubtedly serve to stabilize interethnic relations in the republic.

[Kronik] But it will depend to a considerable extent on external factors also.

[Tetuyev] Undoubtedly, and an important positive role here is performed by the common aspiration of all North Caucasus components toward integration and the conclusion of treaties on the delineation of powers among them and also bilateral treaties on friendship and cooperation between themselves.

In accordance with the provisions of the treaty of the Russian Federation and the Kabardino-Balkar Republic, the State Committee for the Affairs of Nationalities prepared the draft Agreement on Cooperation on Questions of Interethnic Relations Between Our Government and the Ministry of the Russian Federation for the Affairs of Nationalities and Regional Policy. And on the basis of the treaty between the KBR and Moscow, presented for signing to the Department of Public and Interregional Relations of the capital the Agreement on the Affairs of Nationalities.

Notable work is being performed by the Coordinating Group on Interethnic Relations and Culture of the Association for Sociocultural Cooperation of the Republic, Krays, and Oblasts of the North Caucasus. A traveling session was held on its initiative in Nalchik, at which we recounted our experience. We also took part in the joint activities devoted to the 50th victory anniversary. We may also recall the committee's contribution to the organization of the Festival of the Kabardino-Balkar Republic in Moscow and the organization in the Ministry for Nationalities of the Russian Federation of a roundtable on the subject "Experience of the Work of State Institutions of the KBR on the Harmonization of Interethnic Relations, Efforts To Settle the Ossetian-Ingush and Chechen Conflicts, and Assistance in the Admittance and Reconstitution of Refugees from the Chechen Republic."

[Kronik] Unfortunately, we have to speak also about the troubles we have inherited from 1995. In the last interview, citing their causes, you called attention to the absence of a concept of a unified official nationality policy. Has anything been done in this area recently?

[Tetuyev] This work is being performed, and we are participating most directly. The KBR concept on this topic "The North Caucasus: History, Problems, Humanization of Interethnic Relations, and Strengthening of the Unity of the Russian Federation" was offered for parliamentary hearings in the State Duma of the Federal Assembly, in which Kh.M. Dumanov, chairman of the committee, took part. In addition, proposals were prepared for the Ministry for Nationalities of the Russian Federation on a stabilization of the political situation in the North Caucasus. Our specialists participated in the drafting of a concept of official nationality policy of the Russian Federation.

We have to tackle a whole number of objectives this year. The drafting of a concept of the official nationality policy of the Kabardino-Balkar Republic and the draft laws of the KBR "Prohibition of the Propaganda of Nationalism and Chauvinism in the KBR" and "Political Parties in the KBR," to bring the Program of the Repatriation of Compatriots Living Overseas" up to the mark, to continue the implementation of measures for the socioeconomic development and national-cultural revival of the Balkar people, and others.

Russia: Irkutsk Head on Oblast Politics, Economy

964F0709B Irkutsk VOSTOCHNO-SIBIRSKAYA PRAVDA in Russian 26 Dec 95 p 2

[Interview with Yuriy Nozhikov, governor of Irkutsk Oblast, by Yuriy Balakirev, editor in chief of IZVESTIYA TIKHOOKEANSKOY ROSSII; place and date not given: "Our Enterprises' Incomes Have Increased Especially in Recent Times"]

[FBIS Translated Text] Irkutsk Governor Yuriy Abramovich Nozhikov, a deputy of the Federal Assembly of Russia, has no personal guard. He himself refused it. Residents of Irkutsk frequently see their governor behind the wheel of a domestic Niva driving to work or home. When you get to know him you are convinced that such traits are typical of this extraordinary individual who is the current leader of the Angara region.

He was born in Leningrad. His mother is Russian. His father was Chinese and died in 1937 under unclear circumstances. In 1941 his stepfather, whose name he bears, died while defending Leningrad. He graduated from Ivanovo Energy Institute and worked in the Uralenergomontazh Trust, where he rose from a foreman to the manager. He was in charge of the Vostokenergomontazh Trust for a decade and a half. In 1985 he took charge of a famous construction organization that is one of the largest in the world— Bratskgesstroy. It employs 120,000 people in construction from the Yenisey to the Pacific Ocean. It is well known to people of the Far East: The construction of thermal electric plants in Khabarovsk and Komsomolsk-na-Amur, the Bilibinsk Nuclear Power Plant, the expansion of the Amur Thermal Electric Power Plant, and the installation of the Primorsk Hydroelectric Power Plant all involved his participation. He is a winner of the USSR State Prize. In 1988 he was elected chairman of the Irkutsk Oblast Ispolkom [Executive Committee].

[Balakirev] Yuriy Abramovich, against the background of the changes that have shaken all of Russia in recent years, the amount of time you have spent as head of the executive power in the oblast is becoming legendary....

[Nozhikov] Yes, eight years have flown by already. I was confirmed as chairman of the oblast ispolkom in the Secretariat of the CPSU Central Committee when Ligachev was chairman. My second appointment—as head of the oblast administration—took place under President Yeltsin. He removed me from the position in 1993. As was noted in the press—it was for obstinacy. That is not the brightest moment of my biography. Although during my 40-year work career I have been taken off from jobs repeatedly, I have never been fired. I received my appointment to the post of governor from the oblast population, in elections. More than 80 percent of those who came to the precincts voted for me. This is very valuable support. And now all the officials in the oblast are elected: From the rayon council to the Legislative Assembly, from the rural council of elders to the governor.

[Balakirev] As an Irkutsk governor who was interrupted by a revolution you have had remarkable predecessors: the reformers Speranskiy, the rolling stone Muravyev-Amurskiy, who launched Russia in the direction of the Pacific Ocean. He controlled a solid expanse of Eastern Siberia and Far East. Now we do not have this kind of administrative unity. The territory is fragmented and the rulers of its parts frequently cannot find a common language. Do you not get a sense of some kind of loss?

[Nozhikov] The administrative rearrangement of Siberia began back with Mikhail Nakhaylovich Speranskiy. For such immense expanses the formation of independent regions was a predictable process. Our historical predecessors did a good job of choosing the main zones for development. Irkutsk Oblast was destined to be not only the geographic but also the economic, transportation, financial, and intellectual center of Eastern Siberia, and the neighboring regions are drawn to it. The population today is almost 3 million. The intellectual and skill potential is very high. We have rich natural resources that are more accessible than they are in other territories because of our developed infrastructure. We cannot complain. The basis of our economy is high-powered energy. The main kinds of products we produce are so-called semi-manufactured products: aluminum, cellulose, polystyrene, pharmaceutical components, and other types of petrochemical products. We do not produce a lot of our own raw material: We ship alumina in from Australia, Brazil, and other countries, and oil—from Tyumen. In spite of ideas that have developed, the production and processing of agricultural products are increasing in the oblast. These are the final product, and we not only consume our own agricultural products but also deliver then to other regions.

[Balakirev] Knowing the pathetic condition of our agriculture, it is somehow strange to hear words about the increase in agricultural products in final form. Not just anywhere, but in Siberia.

[Nozhikov] In general I meant other branches of our economy as well. During 1989-1994 the production-recession, of course, was considerably less here than the average for Russia and for our neighbors. And since November of last year we have had a steady growth of production: From 1-2 to 8 percent per year. The incomes of enterprises have grown at especially rapid rates recently. I think we have every possibility of stable, dynamic development.

[Balakirev] Does this mean that the center is helping you in all ways, the interests of the region are not being forgotten, and nothing is being encroached upon!

[Nozhikov] I know what you are getting at. The problem of relations between the center and the region is one of the most critical ones today. And, incidentally, it is not purely a Russian one. For example, there are problems in interrelations between Japanese prefectures and Tokyo. This year I was invited to participate in a meeting of the National Association of States of the United States and I found out that the federal authorities there have also taken considerable rights and authority away from the states.

Our Russian Constitution proclaims equality of all components of the Federation. But in reality we have considerable deviations from the Basic Law. Constitutional rights of the regions are under attack. This pertains to questions of division of property, the basic principles of the tax system, joint ownership of natural resources and minerals, and many other things. In everything one can see the desire on the part of the center to have all the power and to rule to the detriment of the legitimate rights and interests of the regions. But this does not mean that we are completely ignored or that we submissively accept and execute any decision from the federal authorities. No, we very energetically defend our interests, relying on support from the population and the Legislative Assembly, and the high-level of professionalism of the administrative apparatus and legal experts. This is why we came out the winners in all cases of disagreements with federal structures regarding one problem or another. And we certainly have not politicized these disagreements and, of course, we have not worked for the destruction of the state. Now they have no special disputes with us.

[Balakirev] As a senator, what problems do you have to speak about most from the podium of the Federation Council?

[Nozhikov] The same problems I am talking about. But especially frequently—the budget. When voting on the 1995 budget we simply had our backs against the wall and had no choice. Today the situation is the same with the 1996 budget, which envisions increasing the federal budget by reducing the consolidated budgets of the regions. How can we not dispute this? I have spoken a lot about land issues, the formation of the Federation Council, and various aspects of its work. I think that the Federation Council, even if only in the present stage, must be made up of the heads of the executive and legislative powers of the regions, and the Assembly itself should not duplicate or replace the Duma, and certainly not try to oppose it.

[Balakirev] Now we can hear the appeals of the professionals—for power! But what is this—professional power?

[Nozhikov] Such a profession as statesman or politician no longer exists in our country. Moreover, the population feels a lack of confidence in the very phrase "political figure." Therefore today we have professional financial experts, professional economists, professional energy engineers, gas producers, coal producers, and so forth. Some of them manifest the qualities of a statesman more than others. For instance Yegor Timurovich Gaydar, in my view, is a typical representative of a branch professional financial expert. This is not enough to run the state. I think that high demands should be placed on a professional politician, he should have not only knowledge of economics, finance, jurisprudence, sociology, psychology, and other areas, but he should also have experience in managing a territory. But we are still a long way away from such a combination, although work is being done to train such personnel not only at the state level, but also in the regions. Including in our oblast.

[Balakirev] Politics and ethics—are they compatible concepts?

[Nozhikov] Undoubtedly. But yet the two concepts are not abstract categories in a philosophical debate. They are filled with concrete content. Their relationship in a democratic society can be traced and monitored and regulated by the population through the mechanism of elections. If a politician lies and does not respond to the demands and needs of society, he can be deprived of his post in the next elections. Gradually life is improving on the system in our country as well. Although the ideal combination and correspondence between the concepts of "politics" and "ethics" has not yet been achieved anywhere.

[Balakirev] Yuriy Abramovich, would you try to imagine what Count Muramets-Amurskiy would have done in your position if he had learned about the energy famine in his beloved Pacific Ocean region of Russia.

[Nozhikov] I will give you a plain answer. I myself participated in the creation of the energy capacities in the Far East and I am aware of how critical the problem is. The reserves of energy sources in this region are insignificant as compared to the demand. In my view, the Far East needs coal, gas, and nuclear power plants. On instructions from the government I am participating in the development of a concept for providing the Pacific Ocean part of Russia with electric energy. Among other things we are considering the version of building power transmission lines. This is a debatable project: The construction costs will be too great and so will be the losses in the networks over such long distances. It is much more feasible to build a gas line.

In our oblast over immense sections of the Eastern Siberian plateau we have discovered enormous supplies of gas. The work of geologists has shown the possibility of large-scale planning. We have proposed the development of projects for delivering our gas to the Far East and neighboring states. The traditional obstacle here—the lack of finances of the regions and the government—seems surmountable to me. Of course, there must be no illusions about support from the government. But it is possible to enlist funds from investors. We can simultaneously sell gas and large blocks of shares in companies that are implementing the project. Additionally, if a solid foreign investor, for example, the Republic of Korea, guarantees the purchase of the gas, we can take out credit under this same guarantee. Of course, there will be an immense amount of work, but we have begun it.

[Balakirev] The world economy has already begun the "Pacific Ocean era." But we can barely see the strategic mistake of our one- sided orientation toward the West. Is the interest and advantage of the Baykal region in the Asia-Pacific region apparent?

[Nozhikov] I can speak for Irkutsk Oblast. We envision interacting with the Asia-Pacific region. Today we have a fairly high level of business relations with China, South Korea, Singapore, Taiwan, Hong Kong, and Japan. And we are not taking the path of simple trade, although this, of course, does exist, but we are selecting the path of creating joint production enterprises. Thus with our Japanese partners we have created an enterprise for processing timber, and most of the products are bought by Japan, which guarantees us a sales market. In countries of the Asia- Pacific region there is a very great demand for cellulose and petrochemical products that are produced in the oblast. I have already spoken about the high skill potential oblast's population. People today are not satisfied with low-paying, low-skill labor, for instance, in agriculture or in raw material and extraction enterprises. Therefore in negotiations with our foreign partners we always insist on deliveries of high-technology productions in exchange for our products. Unfortunately we are not yet able to compete with goods from their light industry, although we are taking steps in this direction. But everything is not so simple here. Deliveries of imported equipment and technologies are taxed with customs duties, which, in my view, is nothing other than a tax on investments. If there is anything the government should not do, it is that. It becomes a paradox: We are always advising in favor of an influx of investments, but in fact we are placing a multitude of obstacles on the path. In other words, we must develop a new strategic role for relations with the Asia-Pacific Ocean region at the state level.

[Balakirev] It seems that according to the Basic Law of Irkutsk Oblast the governor does not have the right to delegate his authority or duties to anyone else. But what about rest and recreation? Or does the Angara region have an iron leader?

[Nozhikov] The position of governor is one that does not envision recreation in the typical sense of the word. Recreation for the governor is a technological component of work. Which is also true, incidentally, of a real director of an enterprise or a deputy. I knew what I was getting into. Of course, it does not mean that I do not try to find a couple of days a quarter for recreation, although usually I usually do not succeed. I have never liked hunting or fishing but I have always liked music—opera, the symphony, folk music. I have read "Anna Karenina" three times straight through. But each time I have discovered something new. Because with time comes new understanding. When I was 12 I could not understand Goldsworthy's "Forsythe Saga", but at 37 I read it all the way through without putting it down. Now I am most attracted not to artistic but to philosophical literature.

[Balakirev] What values do you consider to be the highest?

[Nozhikov] The ones that compose the essence of human life: family, children, education, art, health. These values must be at the center of public interests and the policy of the state, which has become accustomed to regarding people exclusively as producers of products.

[Balakirev] Yuriy Abramovich, a question, as they say, for the road. Self-sufficiency—is that the general guideline for the development of the oblast?

[Nozhikov] Self-sufficiency has always been important for the territory. But I do not see a future for Irkutsk Oblast separate from Russia. We are one whole and therefore we must be concerned about the health and well-being of the entire organism.

In the context of our discussion, let me note that in any case the oblast is searching for ways of gaining markets in the Asia- Pacific region for selling products and increasing the economic possibilities of our population. At the same time, I would like for the mass media to share with us the responsibility for what is going on. We do not need revolutionary movements or great spurts. We need evolutionary movement forward, gradual growth of potential. All the prerequisites for this exist. Including—and especially—in the Pacific Ocean area.

Russia: New Procurator Merzlyakov Profiled

964F0789A Irkutsk SOVETSKAYA MOLODEZH in Russian 11 Jan 96 p 1

Report by Yuriy Udodenko, under the rubric "Look Who Is Here": "New Procurator Accepts Congratulations and Congratulates Others"]

[FBIS Translated Text] The chair of Angara region oblast procurator did not sit empty for long after Yuriy Chayka's departure. Anatoliy Nikolayevich Merzlyakov was recently appointed to this job.

Born in Voronezh Oblast. After graduating from forestry technical school, worked at Irkutsk Oblast forest warden stations. Then the military; later, study at the Irkutsk State University law school. Has worked in the procuracy since 1975. An investigator in Tayshet, later promoted to deputy inter-rayon procurator, then Ust-Udinskiy Rayon procurator, chief of the oblast procuracy department of investigation and inquiry oversight in the police, and since 1985— deputy procurator of Irkutsk Oblast. Personally participated on numerous occasions in freeing hostages seized in places of incarceration. An experienced law professional.

Accepting congratulations from crime-fighting colleagues and confederates—heads of Irkutsk Oblast law enforcement agencies— Anatoliy Merzlyakov is fully aware that his new job may appear to be a juicy morsel only at first glance. The procurator's job is a prestigious one, but the responsibility is immense.

"The number of crimes committed in the Angara region in 1995 exceeded 60,000," says Anatoliy Merzlyakov. "There were more than 1,000 murders. While according to the 'gross total' of crime statistics Irkutsk Oblast is 14th in the Russian Federation, by number of murders we are fourth, behind only Moscow, Moscow Oblast, and Kemerovo Oblast. Hence, it is clear that the tasks facing the procuracy today are quite daunting."

Our meeting with Anatoliy Nikolayevich took place on the eve of the professional holiday—Procuracy Day; the agency was created by Peter the Great, who signed an edict to this effect on 12 January 1722. Now, 274 years later, this date has been restored, so to say, to its rightful place.

"On Friday we will have a ceremony; we will honor our veterans and pensioners, those who, without exaggeration, dedicated their life to service in the procuracy," said Anatoliy Merzlyakov. "Among them are Abram Samuilovich Kruglyak, Mariya Pavlovna Arkhipova, Irma Afanasyevna Kalugina.... Many excellent young specialists work in the special investigations department, headed by Igor Kotin, and in the department for murder and gangsterism investigations, headed by Vladimir Bebyakin. These departments already are standing firmly on their own feet and have proven their tremendous potential."

Taking advantage of this opportunity, Anatoliy Merzlyakov decided to congratulate through the SOVETSKAYA MOLODEZH newspaper all the staff of the Irkutsk Oblast procuracy on their professional holiday:

"On occasion of this revived holiday, I congratulate both our veterans and our young staff who chose for themselves this difficult profession. I wish you all personal happiness. May your work bring you satisfaction and awareness that people need us, procuracy workers."

Russia: Irkutsk Oblast Budget Issues Detailed

964F0841A Irkutsk VOSTOCHNAYA-SIBIRSKAYA PRAVDA in Russian 20 Jan 96 p 2

[Unattributed article: "No Matter How Bad the Budget Is, It Is Worse With None at All: Reaching This Conclusion After the Fourth Reading, Deputies of the Legislative Assembly Sent the Law 'On the 1996 Oblast Budget' to the Governor for Signature"]

[FBIS Translated Text] The law was born with great pangs. It was fated to pass through three sessions, several coordinating committees, and a meeting of mayors and the governor. And it was born late and imperfect.

It came into the world on 17 January, as the curtain fell on the work of the first hot day of the seventeenth session. It appeared thanks to the deputies, who after four hours of stormy discussion and hot debates at times lost confidence that they would be able to vote for it. Even Deputy Governor Vladimir Yakovenko, one of the last to speak, who desperately appealed to the people's representatives to vote otherwise "we will be unable to pay the rayons subsidies," recognized that the oblast was in a situation in which "it is necessary to make a new budget."

So, what did the deputies vote for? For an increase in expenditures over revenue in the sum of R26.217 billion. In addition, after having put all socially significant articles of expenditures in a framework of strict economy. Even protected items of the budget are now being financed only 50 percent. The oblast entered the new year with an almost R100 billion debt in payments to public servants. On 1 January tax arrears exceeded R500 billion. In the last three months there was a significant reduction in budgetary replenishment from donor cities, which substantially affected the budget indicators for 1996. Of late the oblast has lived at the expense of exports of aluminum, petroleum products, electric power, and cellulose. But the hard currency corridor and the market drop in prices for Russian exports had a serious effect on the revenue of leading Irkutsk enterprises. After all, only one- fourth of the leaders give more than 50 percent to the oblast treasury, and the first one-tenth, more than 90 percent. Hence the direct dependence of all the rayons and oblasts in general on the main industrial donors. Any failure is immediately reflected in the general economic and social condition of a big region.

In turn, representatives of donor cities consider themselves cheated. A graphic example of this are the traditional speeches of the mayor of Bratsk, Deputy Ivan

Nevmerzhitskiy. Why, he asks, having a fourth of the oblast "pie," must we be satisfied with only one-tenth? This time Galina Ivantsova, a deputy of the city duma, came to his aid, with an appeal from deputies and leaders of sociopolitical organizations of the city: Divide fairly, and do not take everything!

But the subsidized regions also have to survive somehow, and those who are dissatisfied in the oblast administration object to them and to others. After all, we have also been driven into a corner by federal policy in making ends meet. Irkutsk Oblast continues to remain a donor for other regions.

"The oblast's requirements amount to R12 trillion [line missing] ourselves only a half. If we make a promise to someone, then we will not give it to someone else," says Aleksandr Ivanov, deputy chairman of the Budget Committee of the Legislative Assembly.

So let's grow indignant and not deliver, a number of deputies— including Leonid Krestyaninov, Sergey Levchenko, and Mikhail Skomarov—proposed. Why must we feed such prosperous regions as St. Petersburg or Krasnoyarsk Kray?

"Why have teachers and doctors in Chuiskiy Rayon not received their pay since September, but at the beginning of January the rayon sent R11 billion in the form of taxes to Moscow?" echoes Svetlana Zubko, a trade union leader from Chuva, who came to the session and asked for the floor. "So that our boys could be killed in Chechnya on our money?"

Sergey Levchenko proposed to demand information from the administration about what it was doing regarding work with the federal organs, because in taking almost 39 percent of incomes from its needs, the oblast has a right to know where this money is going.

[Line missing] rather tight, and there is no need to concentrate attention on this. The main thing now is to speed up the signing of an agreement between Irkutsk Oblast and the Russian Federation concerning delimitation of powers.

Aleksandr Ivanov's proposal to take advantage of the federal law on protection of budget rights and to appeal to the Court of Arbitration was called harmful by Deputy Boris Govorin, who asked that the situation not be aggravated, but that we try to arrive at a quick signing of the agreement.

In the opinion of Vitaliy Ivanov, chief of the main financial administration, it is very difficult for the oblast today to prove in the government a deficit in its budget, because in the 1995 budget more than R500 billion is directed to capital investments, which is not taken into account in a minimum budget. This sum exceeds today's debt for paying public servants by a factor of five. Therefore, the very first task is to settle our debts. Which is what the oblast administration is working on now. And in the near future to work on the protected [line missing].

Realizing that in the given situation a bad budget is better than none at all, the deputies in a majority vote, taking corrections and comments into account, adopted the law "On the 1996 Oblast Budget" and sent it to the governor for signature.

A proposal by Ivan Zelent, speaker of the Legislative Assembly, to settle debts for subsidies to the rayons and to pay public servants for last year was approved.

A decree of the oblast administration directs coordination with the city and rayon administrations of the revenue and expenditure parts of local budgets, taking into account actual implementation of a consolidated 1995 oblast budget and the main features of the federal budget for 1996. It was also directed to correct the oblast budget, taking into account the protocols of coordination, and to submit for review by the April session the law "On Making Changes and Additions to the Law of Irkutsk Oblast 'On the 1996 Oblast Budget.'"

Such is our life. Having failed to adopt one law, we are already thinking about a new one, with changes and additions to the previous one.

God grant that the fears of some deputies not come true, in particular those of Yuriy Pudrenko, who looks ahead to the April consideration of the budget with horror: There will be even less revenue, and the territories will end up in even greater poverty. May the optimistic forecasts of Deputy Governor Vladimir Yakovenko come true—that in the first half year pay problems will be resolved once and for all, and that everything will begin to improve. Yes, the situation in the oblast is difficult now, but the administration does not consider it hopeless. But it is not necessary to supercharge it, the deputy governor requests of the deputies.

Russia: Irkutsk Crime Statistics Compared

964F0854A Irkutsk SOVETSKAYA MOLODEZH in Russian 23 Jan 96 p 1

[Report by Yuriy Udodenko: "We Want To See an Increase in Crime"]

[FBIS Translated Text] This startling, at first glance, admission came at a press conference from Colonel Valeriy Volokhov, deputy chief of the Irkutsk Oblast UVD [Administration of Internal Affairs] and chief of the public safety police.

At a meeting with journalists several days ago, Colonel Volokhov's service was represented by the chiefs of leading divisions. In addition to Valeriy Ivanovich, on hand to answer newspaper and television journalists' questions were the chief of the crime prevention unit, Vladimir Voronov; the deputy chief of the GAI [State Motor-Vehicle Inspection], Viktor Arsentyev; the chief of the department for coordination of public order maintenance units, Petr Bzhevskiy; the chief of the passport and visa service, Viktor Dobrov; the chief of the inquiry department, Vladimir Cheremisin; and the deputy chief of the nondepartmental security administration, Viktor Shmaylov.

The press conference organizers overwhelmed journalists with a flood of information and a sea of all sorts of figures and indicators. As it turned out, more than 90 crime categories listed in the Russian Federation Criminal Code [UK] have been transferred to the jurisdiction of the public safety police. And, judging by the minister of internal affairs' statement, another 55 categories will be transferred soon. This will result, of course, in the addition of more staff in practically all public safety police units.

According to Valeriy Volokhov, of the total number of crimes solved in 1995, about 11,000 were committed by repeat offenders. Compared to 1994, the increase measured 13 percent. About 21,000 of the detained offenders had prior convictions. Street crime statistics showed a 7 percent increase.

The GAI statistics look somewhat better compared to 1994. Fewer traffic accidents (DTP) were registered. Fewer people died as a result of DTP's. There were fewer accidents where the driver was at fault. On the other hand, the number of incidents involving driving personal vehicles under the influence increased.

"We want to see a growth in the number of crimes falling under the jurisdiction of the public safety police," said Valeriy Volokhov. "Because by detaining hooligans, brawlers, vagrants, and petty thieves we prevent the commission of grave crimes. For instance, 2,398 criminal cases—a 5.5 percent increase—have been initiated under Article 206 of the Criminal Code. At the same time, there has been a perceptible decline in the number of incidents of grave bodily harm, and fewer murders and muggings. Because potential murderers, rapists, and robbers have been arrested and sentenced for hooliganism."

Street crime is a great concern. In the Angara region this crime category accounts for 9 percent of the total number of crimes committed. In Krasnoyarsk Kray this indicator has exceeded 13 percent, and in Buryatia it is even higher—16.2 percent.

Valeriy Volokhov and his colleagues voiced some serious gripes against the Sverdlovsk Rayon administration. The never-empty medical sobering station has been closed here, but it is vitally needed. Because half of all registered crimes in Sverdlovsk Rayon in 1994 were committed in a state of alcoholic intoxication, and in 1995 already two crimes out of three were committed under the influence.

Other subjects covered at the press conference were the problems faced by precinct inspectors, personnel training difficulties, delays in the payment of salaries, and many others—the public safety police has to deal with a bundle of problems. It is important to note, however, that the service, headed by Colonel Valeriy Volokhov, has come into its own and has already made its mark.

Russia: Novosibirsk Mayor's 1995 Work Reviewed

964F0820A Novosibirsk VECHERNIY NOVOSIBIRSK in Russian 18 Jan 96 p 2

[Decision No. 118 of the Novosibirsk City Soviet of 11 January 1996: "On the Results of the Work of the Novosibirsk Mayoralty in 1995"]

[FBIS Translated Text] Having heard and discussed the mayor's report "On the Results of the Work of the Novosibirsk Mayoralty in 1995," the City Soviet notes that the mayoralty built its work proceeding from the necessity of resolving two fundamental tasks: guaranteeing the stable functioning of municipal services and the city's further development. The measures taken have allowed for uninterrupted services to the population in heat and water supply, passenger transportation, in the area of education, health care, culture and sports, and the social support of citizens. There were no arrears in payment of wages at budget-funded organizations. The mayoralty's cooperation with industrial enterprises was aimed at delivery of various types of production for the work of municipal services and the social sphere, and the use of mutual offsets as the basic form of settlement encouraged the reduction of tax payment arrears and improved the financial state of the taxpayers. At the same time, the city's acute budget deficit and insufficiently effective decisionmaking by the Federation component on stabilizing revenues and expenditures of the Novosibirsk budget led to incomplete financing of all areas in comparison with standards and quotas. Urgent measures need to be taken on the consolidation of the material base of the housing stock, of health-care institutions, of education and culture. For the balancing of the city's budget and elimination of credit indebtedness, it is necessary in the shortest possible time to coordinate with the Novosibirsk Oblast bodies of authority sources of funding for expenditures for such budget items as payment of state indemnities for families with children, the maintenance of departmental housing, and reimbursement for heating costs.

On the basis of what has been stated above, in accordance with the law of the Russian Federation "On the General Principles of Organization of Local Self-Government in the Russian Federation" and with the Novosibirsk City Charter, the City Soviet HAS DECIDED:

1. To consider that the work of the City Soviet and the mayoralty on attracting into the city budget additional financial resources and on maintenance of strict economy of resources has allowed, in extremely difficult financial conditions (insufficient financing from the higher budgets, understated allocation rates from control revenues to the Novosibirsk budget), the guarantee of steady functioning of municipal services and institutions in the social sphere.

2. To envision with the formation of the plan for the socioeconomic development and the 1996 budget of the city a balanced budget, achievement of standard rates of financing basic protective items. The permanent commission of the City Soviet, jointly with mayoralty departments, are in the shortest possible time to complete work on a plan of socioeconomic development of the city for 1996 and to submit it for consideration at the next meeting of the City Soviet.

3. To regard as a most important task of 1996 the guarantee of stable functioning of all branches of municipal services, the intensification of targeted social support to residents of the city with relatively low incomes, the further development of housing construction, health-care facilities, and engineering infrastructure. In connection with this, to provide for:

3.1. intensification of the work on reducing the tax indebtedness of managing entities to the city budget, meaning development of the practice of distribution of municipal orders at the city's industrial enterprises and construction organizations, and conducting tax mutual offsets, primarily with industrial enterprises with an acute shortage of working capital, with them aim of increasing the monetary receipts from enterprises having solid markets for sale of their output;

3.2. fundamental improvement of the work on stimulating investment activity of the city's enterprises and banks, on attraction of foreign investments in industrial production for expansion of the tax base of the industrial complex, the guaranteeing of steady employment in the production sphere, the output of new types of manufactured articles, the increase in the volume of processing agricultural output and raw materials of local production, concentrating the efforts of the department of the economy and long-range city development and of the economic council on the revival of converted industrial enterprises and the implementation of large-scale investment projects through the development of intracity cooperatives and the coming to be of production-cooperative ties with foreign firms and companies;

3.3. continuing the practice of implementing effective measures regarding reliable provision of energy to the city; in the shortest possible time, jointly with the bodies of authority and government of Novosibirsk Oblast, to work out a financial settlement mechanism for heat energy consumed by the city's population; before 1 March of this year, to work out and present for approval of the City Soviet an annual comprehensive program of construction and repair of engineering communications, facilities of the heat-and-power engineering and water and sewage systems, and getting the housing stock, institutions in the social sphere, and all of the municipal services ready for the 1996-1997 winter heating season;

3.4. with the formation of the plan and the city budget for 1996, to pay special attention to the implementation of measures to improve maintenance of the city's housing resources, and increasing the proportion of funds spent for routine and major repairs of residential housing, jointly with the bodies of Novosibirsk Oblast government to work out a financial mechanism of compensation for expenditures of the city budget for the maintenance of departmental housing resources, to implement measures for the replenishment of the city's flexible housing stock, to continue and consolidate last year's practice of settling tenants of damaged and dilapidated buildings;

3.5. elaboration and implementation of a complex of measures on lowering the subsidization level of the city's passenger transport, by cutting costs in the city's transport complex, development of a network of fixed-route taxi-buses, and the introduction of a system of mutual settlements with the appropriate departments dealing with the transportation of passengers having fare privileges established by federal legislation;

3.6. preparation and implementation of a program of measures for continuing the construction of a subway system and increasing the volume of road-building projects in the city; in the shortest possible time to present to the administration of Novosibirsk Oblast and the Oblast Soviet of Deputies sound proposals on increasing the city's share in the use of extrabudgetary resources of the roads fund.

3.7. priority budget financing of social-sphere institutions on the basis of implementation of financing of the education and health-care sphere according to differentiated rates per student and per patient;

3.8. in the sphere of regulation of trade and consumer services to the city's population, continuation and expansion of the work on conclusion of special agreements with enterprises on servicing the population with relatively low incomes, the development of a system of fairs for the sale of agricultural production, improving the work of small-scale wholesale and retail markets, and transferal of unprofitable enterprises or enterprises operating at a loss to lease and trust management to enterprises and firms that are producers of goods and services;

3.9. raising the efficiency of the use of municipal property, and also of nonresidential premises on the balance-sheet of enterprises and organizations of the city irrespective of form of ownership and departmental proprietorship, meaning formation jointly with the property management agencies of Novosibirsk Oblast of a mechanism for allocating resources to the city budget from the rental of all nonresidential premises;

3.10. fundamental improvement in the use of land resources through allotment of land plots, as a rule on a competitive basis and with a concrete targeted purpose ensuing from the general plan for city development; acceleration of inventory-taking of land plots and the formation of a unified land cadastre for the city; guarantee of receipt by the city budget of rental payment on plots of land by all land users through the introduction of an application system of rent payments and intensified monitoring on the part of the city's tax agencies;

3.11. formation of an annual comprehensive program of social support of the population, with due regard for the necessity of elaboration and implementation of a system of measures for the further transition from subsidies and benefits that are the same for the entire population to targeted granting of these to citizens with relatively low incomes, first of all to persons who are under or over the working age.

To propose to the mayor that a mayoralty decree be prepared, as well as draft decisions of the City Soviet, necessary for the implementation of the tasks that have been set.

4. To develop in every possible way the practice of openness in the work of the City Soviet and the mayoralty, inculcation of principles of local self-government, and activation of the city's population for the resolution of socioeconomic tasks.

5. To present analytical materials on the results of the city's socioeconomic development in 1995 and on the provision of standard financing for 1996 to the administration of Novosibirsk Oblast and the Novosibirsk Oblast Soviet of Deputies.

6. To consider necessary the creation of a permanently operating joint consultative body of deputies to the City Soviet and deputies to the Oblast Soviet, elected by city electoral districts.

7. To entrust the general coordination of work on the implementation of the present decision to the deputy mayor—the director of the department of the economy and long-term city development, N.A. Terekhov, and the chairman of the permanent deputy commission on budget and finance, tax, and socioeconomic policy, B.A. Konovalov.

[Signed] V.A. Tolokonskiy, head of local self-government

Russia: Local Bankruptcy Agency Head Interviewed

964F0807A Novosibirsk SOVETSKAYA SIBIR in Russian 17 Jan 96 p 1

[Interview with V.T. Churkin, director of the Territorial Agency of the Federal Administration on Matters Concerning the Insolvency (Bankruptcy) of Enterprises, by N. Tsarev; place and date not given: "Bankruptcy? No!"]

[FBIS Translated Text] Receding into history, the year 1995 for was many oblast enterprises time of great economic difficulties. Production was reduced significantly in a number of enterprises and practically stopped in others. What kinds of measures are being undertaken under these conditions by the Territorial Agency of the Federal Administration on Matters Concerning the Insolvency (Bankruptcy) of Enterprises? Our correspondent interviews V.T. Churkin, director of this institution.

[Tsarev] Vladimir Timofeyevich, what is the sphere of activity of the territorial agency that you head?

[Churkin] We work on the territory of Novosibirsk Oblast. The sphere of our influence extends to federally owned state enterprises. The agency has been invested with the powers to collect from debtor-enterprises debts to the budget as state revenue. It can be said that this is one of the main directions of our work. In November-December 1995 we collected for the federal budget and for off-budget funds more than R2.6 billion from debtor-enterprises (both state and joint-stock enterprises).

[Tsarev] How is this being conducted? Can an enterprise get off the "black" list of insolvent enterprises?

[Churkin] There is no "black" list, as you put it. Information of the tax inspectorate and off-budget funds about the indebtedness of enterprises flows into the territorial agency. On the basis of the received data we send enterprises instructions with a request to pay off debts at an established date. It must be said that this has its own effect. The leaders of collectives who receive our instructions speed up activity to find the reserves to pull out of the situation that has developed.

So our task is the withdrawal of enterprises from a difficult financial state. The mechanism of our influence is directed at replenishment of the budget and restoration of an enterprise.

[Tsarev] What enterprises received the instructions of the territorial agency? How many are there?

[Churkin] Permit me to refrain from naming specific enterprises. But I can indicate their overall number: Forty-three debtor- enterprises that are idle received our instructions. However, the full list of debtors is significantly bigger.

[Tsarev] It was reported earlier that the Novosibirskaya poultry plant in Iskitimskiy Rayon halted its activity and that the poultry stock has been eliminated completely. What happened? Did it go bankrupt?

[Churkin] Speaking in purely legal terms, the Novosibirskaya poultry plant is not bankrupt, if for no other reason than that the question of its insolvency (bankruptcy) has not been decided in a judicial procedure. However, the situation at this poultry farming enterprise is extremely difficult, although not hopeless.

[Tsarev] Tell us what was done at the poultry plant on the part of your agency.

[Churkin] A little pre-history. Novosibirskaya was "idle" for a long time, and for two to three years it had negative results from economic-financial activity. The administration of the oblast undertook efforts to stimulate the plant and improve its economic condition, but without results. The sharp increase in the cost of electric power and fuel, the cost of feed, the competitive delivery of imported ham, and also the obvious insufficient amount of work by the previous managers of the enterprise led to the complete stoppage of production. In the summer the poultry stock there was eliminated entirely, and the supply of electric power to the building was stopped.

What is more, the fate of more than 700 workers and specialists became uncertain, but the stoppage of the plant also had an effect on the work of the Baryshevskiy poultry breeding sovkhoz, which delivered to Iskitimskiy Rayon a large stock of broiler chicks for raising.

There was a discussion in the oblast administration initially about temporarily closing down the Novosibirskaya poultry plant. According to calculations, an enormous sum would be spent on this— R10 billion. In addition, closing it down temporarily would not resolve the main question: What will happen to production, and to the collective?

In the summer of 1995 (immediately after the poultry stock was eliminated) the territorial agency declared that the plant was insolvent and began to work on variants for bringing it out of this condition.

In accordance with normative acts, the agency removed the former director from his position and appointed an outside administrator— Vladimir Prokopyevich Chebakov.

[Tsarev] What can be said about the first results of his work?

[Churkin] As soon as he assumed his post, Vladimir Prokopyevich immediately organized an audit of the condition of the enterprise and outlined immediate measures. Before the big frosts arrived he succeeded in turning on the electric power, starting up the boiler house at full capacity, and supplying heat to the production sections.

[Tsarev] Of course, when you receive the resources for restoring production, then life becomes more cheerful, and the work moves from dead center.

[Churkin] What is peculiar is that no one allocated resources to Chebakov. He was able to get electric power and to organize the collective (it has 100 persons today) so that it worked well without help on the part of the administration.

[Tsarev] Nevertheless, apparently the oblast will allocate the resources?

[Churkin] I think that it will, but it is not R10 billion that will be required to temporarily suspend work as was planned, but much less. This is what we are asking the oblast administration for temporarily closing down and maintaining in working condition production that was put into operation: Release a certain amount of grain to the plant from the state granaries, and allocate resources for the acquisition of protein raw materials and also for the reinstatement of jobs.

[Tsarev] This kind of support for a reviving plant would also be a real help to the Baryshevskiy poultry breeding sovkhoz, which is also in a difficult economic situation.

[Churkin] Absolutely true. They are links in a very complex technological chain. The information that was sent for examination to the oblast administration indicates that the Novosibirskaya poultry plant in its time used about 30 percent of the breeding products of the Baryshevskiy poultry breeding sovkhoz. With the stoppage of the consumer enterprise, breeding products were not in demand; that is, the supplier in turn was also compelled to curtail production. The kind of undesirable chain reaction occurred that it is necessary to counteract.

[Tsarev] Vladimir Timofeyevich, how long will the economic rehabilitation last—getting the poultry plant out of an insolvent condition?

[Churkin] It is difficult to name an exact time frame, but up to 18 months are usually earmarked for this. If we are talking about the Novosibirskaya poultry plant, it is very important now to develop positive moves in order to supply poultry stock—broiler chicks—from the Baryshevskiy poultry breeding sovkhoz in the near future. And only afterwards work on the second stage—entering into financial relations with Sistema Bank, Novosibirskenergo, the Yevsinskiy combined fodder plant, and other organizations and enterprises.

[Tsarev] Let us return to the position of outside administrator. Who is it? Is a special education needed for this position? If training is being conducted, then where?

[Churkin] The outside administrator of the Novosibirskaya poultry plant is Vladimir Prokopyevich Chebakov—a local specialist from Iskitimskiy Rayon. At the same time, we have already trained five outside administrators in courses in Moscow.

[Tsarev] So, can it be assumed that there will be further appointments of administrators at other weak enterprises?

[Churkin] We are working on this very thing in order to help them, to help people keep their jobs and wages. I will say once more that we do not wish bankruptcy on anyone.

Kazakhstan

*Kazakhstan Edict on Office of Public Procurator

964F0781A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 29 Dec 95 pp 1-2, 4

[Text, under the rubric "Official Section," of Edict of the president of the Republic of Kazakhstan with the force of law entitled "On the Office of Public Procurator of the Republic of Kazakhstan"]

[FBIS Translated Text] In accordance with Article 83 of the Republic of Kazakhstan Constitution and Article 1 of the Republic of Kazakhstan law dated 10 December 1993 and entitled "On the Temporary Delegation of Additional Powers to the President of the Republic of Kazakhstan and Heads of Local Administrations," I issue the present Edict in order to regulate the activity of the procuracy organs.

Chapter 1. General Provisions

Article 1. The Office of Public Procurator of the Republic of Kazakhstan

1. The office of public procurator of the Republic of Kazakhstan is a state organ accountable to the president of the Republic of Kazakhstan which exercises supreme supervision of precise and uniform application of laws, edicts of the president of the Republic of Kazakhstan, and other normative legal enactments on the territory of the Republic and of the legality of operational-search activity, preliminary ["doznaniye"] and court investigation ["sledstviye"], administrative law proceedings, and execution of court decisions.

2. The office of public procurator takes steps to identify and eliminate any violations of legality, protests laws and other legal enactments which contradict the Constitution and laws of the Republic, represents the state's interests in court, and in addition handles criminal prosecution in the cases, in the manner, and within the limits established by law.

Article 2. The Legal Foundations of the Activity of the Office of Public Procurator

The organization and procedures of the activity of the office of public procurator of the Republic of Kazakhstan and the powers of public procurators are determined by the Republic of Kazakhstan Constitution, the present Edict, laws and international treaties of the Republic of Kazakhstan, and in addition the orders of the Procurator-General of the Republic of Kazakhstan.

Article 3. Principles of the Organization and Activity of Procuracy Organs

1. The institution of the office of public procurator of the Republic of Kazakhstan is a unified centralized system of organs and institutions with lower-ranking public procurators accountable to higher-ranking ones and to the Procurator-General of the Republic of Kazakhstan.

2. The office of public procurator of the Republic of Kazakhstan carries on its activity independently of other state organs and officials and political parties and other public associations.

3. Intervention in the activity of the procuracy organs when they are exercising their powers established by legislation is prohibited.

4. Enactments of procuracy supervision issued on the basis and in the manner established by law are mandatory for all organs, organizations, officials, and citizens.

5. Procuracy organs operate publicly to the extent that this does not contradict the requirements of the Republic's legislation on protecting civil rights and liberties and on protecting state secrets.

Article 4. Fundamental Directions and the Substance of the Activity of Procuracy Organs

In order to ensure the supremacy of the Constitution and laws and protect human and civil rights and liberties, in exercising supreme supervision of the precise and uniform application of the Constitution, laws, and edicts of the president of the Republic of Kazakhstan and other normative legal enactments, the office of public procurator performs the following actions on the state's behalf:

1) identifies and takes steps to eliminate violations of the Constitution, legislative enactments, and enactments of the president of the Republic;

2) exercises supervision of the legality of operational-search activity, preliminary and court investigation, administrative law proceedings, and the execution of court decisions;

3) represents the state's interests in court;

4) protests laws and other legal enactments which contradict the Constitution and laws of the Republic;

5) in the manner and within the limits established by law handles criminal prosecution.

Article 5. The Activity of the Procuracy Organs To Exercise Supreme Supervision

1. Supreme supervision of precise and uniform application of laws and edicts of the president of the Republic

of Kazakhstan and other normative legal enactments is exercised by conducting reviews ["proverka"].

2. A review of the application of legislation is conducted by the public procurator within the limits of his competence after a decree to conduct the review is rendered in connection with:

1) a commission from the president of the Republic of Kazakhstan;

2) petitions, complaints, communications, and other data on violations of legislation;

3) direct identification of elements of a violation of legislation;

4) a commission or request from a higher-ranking public procurator.

3. A public procurator may also commission the appropriate competent organ to perform a review, and that organ is required to communicate its results to the public procurator within the time period established by law or the public procurator.

4. The review of the application of legislation is conducted within a month. The public procurator who assigned the review may extend it with the consent of the higher-ranking public procurator.

5. All actions of the public procurator and enactments of procuracy supervision entail the consequences established by law, if they are performed in the manner and forms established by the present Edict and other normative legal enactments.

Article 6. Legal Guarantees of the Activity of Procuracy Organs

1. Influencing the public procurator in any form whatsoever in order to prevent him from exercising his powers or to ensure that he makes an unlawful decision, as well as failure to fulfill the decrees, commands ["predpisaniye"], directions, and demands of public procurators, entails the responsibility established by law.

2. At the public procurator's demand, the appropriate organs and authorized persons are required to do the following:

1) make the needed materials and information available free of charge;

2) select specialists to participate in the review and give conclusions.

3. The commissions of the public procurator which he gives within the limits of his competence are mandatory for organs of preliminary and court investigation.

4. Information demanded is made available to the procuracy organs in the forms, manner, and time periods established by legislation.

5. Associates of the office of public procurator within the limits of their competence have the right to unimpeded entry onto the premises of state organs and organizations and access to their documents and materials and the right to inspect court files and to demand them from the court.

Article 7. Examination of Appeals

1. In examining appeals concerning violations of legislation, procuracy organs take steps in the manner established by legislation to eliminate violations of the rights and legal interests of the individual and the citizen, legal persons, and the state and to restore the violated rights.

2. If a person by virtue of physical, mental, or other disadvantages is unable to protect his rights, the public procurator is required to take the necessary steps to ensure they are protected.

3. Procuracy organs take steps in the manner established by law to bring to responsibility officials who fail to perform the duties charged to them to protect human and civil rights and liberties and the interests of legal persons and the state.

4. Anonymous appeals are not reviewed in the procuracy organs, but the public procurator has a right not to divulge a source of information in the interests of the citizen.

Article 8. Appealing the Actions and Enactments of a Public Procurator

1. The actions and enactments of a public procurator may be appealed to the higher-ranking public procurator or in court.

2. The higher-ranking public procurator examines complaints concerning the actions and enactments of a lower-ranking public procurator in the manner established by legislation and communicates the results in writing to the petitioner and the public procurator whose actions have been appealed.

Chapter 2. The System of Procuracy Organs and Their Organization

Article 9. The System of Procuracy Organs

The Office of the Procurator-General, offices of oblast public procurators, offices of public procurators of cities of republic significance and the capital of the Republic, interrayon, rayon, city, and military and other specialized offices of public procurators equivalent to them form the unified system of procuracy organs of the Republic of Kazakhstan.

Article 10. The Procurator-General of the Republic of Kazakhstan and His Deputies

1. The Procurator-General of the Republic of Kazakhstan:

1) is appointed to the post by the president of the Republic with the consent of the Senate of the Parliament for a term of 5 years;

2) is dismissed from the post by the president of the Republic;

3) is accountable to the president of the Republic;

4) throughout his term of office may not be arrested, subjected to forced appearance or penalties under administrative law imposed in a judicial proceeding, or brought to criminal responsibility without the consent of the Senate, other than in cases of detention at the scene of the crime or commission of serious crimes.

2. The first deputy and deputies of the Procurator-General of the Republic are appointed to the post and dismissed from the post by the president of the Republic at the submission of the Procurator-General.

3. Deputies of the Procurator-General of the Republic may simultaneously be appointed chiefs of the corresponding administrations of the Office of the Procurator-General.

Article 11. Powers of the Procurator-General of the Republic

The Procurator-General of the Republic:

1) exercises supervision of the application of laws and edicts of the president and other normative legal enactments on the Republic's territory and directs the activity of lower-ranking offices of public procurators;

2) protests laws and other normative legal enactments which contradict the Constitution and laws of the Republic to the organs and officials who adopted them;

3) is a member of the Supreme Judicial Council;

4) issues orders, directions, directives, statutes, and instructions regulating issues of the organization and activity of the office of public procurator of the Republic of Kazakhstan and the procedure for realizing measures of material and social support, which are mandatory for fulfillment by all associates of the organs and institutions of the office of public procurator of the Republic of Kazakhstan;

5) forms, reorganizes, and abolishes offices of public procurators and institutions of the procuracy organs and determines their structure, the rights and duties of the structural subdivisions, and the number of personnel and labor payment fund in procuracy organs within the limits of allocations approved;

6) submits to the president of the Republic candidates for higher class ranks and military ranks;

7) appoints to the post and dismisses from the post public procurators of oblasts and public procurators equivalent to them, military procurators, and their deputies and public procurators of rayons and cities and public procurators equivalent to them;

8) reports to the president of the Republic on the activity of the procuracy organs;

9) in the established manner awards class ranks and military ranks to associates of the procuracy organs;

10) submits associates of the procuracy organs for state awards and honorary titles of the Republic of Kazakhstan;

11) determines the procedure for associates of the procuracy organs to acquire, keep, carry, and transport weapons and ammunition;

12) exercises other powers granted to him by legislation.

Article 12. The Office of the Procurator-General

1. The Procurator-General of the Republic heads the Office of the Procurator-General of the Republic of Kazakhstan.

2. The Procurator-General of the Republic has a first deputy and deputies.

3. Administrations and departments constitute the structure of the Office of the Procurator-General of the Republic of Kazakhstan. Chiefs of administrations and departments are senior assistants while their deputies are assistants of the Procurator-General of the Republic. The Procurator-General of the Republic and his first deputy have assistants for special commissions. The posts of senior public procurators and public procurators are established in administrations and departments.

4. Chiefs of administrations and departments and their deputies as well as senior assistants, assistants, and assistants for special commissions and senior public procurators and public procurators of administrations and departments are appointed to the post and dismissed from the post by the Procurator-General of the Republic.

5. The Office of the Procurator-General:

1) provides coordination and reconciliation of the actions of the procuracy organs of the Republic on the fundamental directions of their activity;

2) analyzes the practice of supervision of the application of laws and the condition of legality in the Republic;

3) works up recommendations on improving procuracy supervision;

4) monitors the work of the procuracy organs of the Republic to supervise the application of laws;

5) interacts with other republic law enforcement organs to ensure legality and law and order;

6) organizes and conducts measures to raise the qualifications of cadres;

7) participates in norm-setting activity;

8) represents the procuracy organs in the sphere of international cooperation.

Article 13. Public Procurators of Oblasts

Public procurators of oblasts and public procurators equivalent to them:

1) manage the activity of oblast, city, rayon, and other offices of public procurators equivalent to them to exercise procuracy supervision;

2) issue orders, directives, and directions mandatory for all subordinate employees.

Article 14. Offices of Public Procurators of Oblasts

1. Offices of public procurators of oblasts and offices of public procurators equivalent to them are headed by the corresponding public procurators appointed with the consent of the president of the Republic by the Procurator-General of the Republic.

2. Public procurators of oblasts and public procurators equivalent to them have first deputies and deputies and senior assistants and assistants. Deputies of public procurators of oblasts may be appointed by the chiefs of the corresponding administrations of oblast offices of public procurators.

3. There are administrations and departments in offices of public procurators of oblasts and offices of public procurators equivalent to them. Chiefs of administrations and departments are accordingly senior assistants and assistants of public procurators of oblasts. The posts of senior public procurators and public procurators are established in administrations and departments.

Article 15. City, Rayon and Other Public Procurators and Offices Equivalent to Them

1. City, rayon, and other offices of public procurators equivalent to them are headed by the corresponding public procurators.

2. City, rayon, and other public procurators equivalent to them have deputies, senior assistants, and assistants.

3. Departments may be set up in city, rayon, and other offices of public procurators equivalent to them.

Article 16. Subordination of Lower-Ranking Public Procurators to Higher-Ranking Ones

1. The subordination of public procurators includes:

1) the mandatory nature of directions from higher-ranking public procurators on issues of organization and activity for lower-ranking offices of public procurators;

2) the responsibility of lower-ranking public procurators to higher-ranking ones for performing official duties;

3) exercise by higher-ranking public procurators of the powers of the lower-ranking ones in necessary cases;

4) the repeal, revocation, or amendment of enactments of lower-ranking public procurators by higher-ranking ones;

5) resolution by higher-ranking public procurators of complaints on the actions and enactments of lower-ranking ones.

2. The Procurator-General of the Republic may establish other forms of subordination of lower-ranking public procurators.

Article 17. Collegiums in the Procuracy Organs

1. Collegiums are formed in the Office of the Procurator-General and the offices of public procurators of oblasts and offices of public procurators equivalent to them.

2. Collegium meetings examine issues of the activity of procuracy organs as well as other issues related to uncovering violations of laws which at the discretion of the Procurator-General or the public procurator of the oblast or the public procurator equivalent to him require collegial examination with the participation of the officials who violated the law.

3. The collegium's decisions are made by a majority of the total number of its members.

4. The collegium's decisions are realized as orders of the corresponding public procurators and are mandatory for associates of the procuracy organs. Enactments of procuracy supervision are adopted on violations of the law which are uncovered.

5. The collegium's work rules and the status of members of the collegium are determined by the Procurator-General of the Republic.

Chapter 3. Legal Enactments of the Office of Public Procurator

Article 18. The System of Legal Enactments of the Office of Public Procurator

1. The following documents make up the system of legal enactments of the office of public procurator:

1) enactments of procuracy supervision: protest, decree, command, petition, sanction, direction, report ["predstavleniye"], and explanation of a law;

2) enactments regulating issues of the organization and activity of the office of public procurator: orders, directions, directives, statutes, and instructions.

2. Statutes and instructions of the office of public procurator are ratified by orders of the corresponding public procurators.

Article 19. The Protest

1. The public procurator lodges a protest against normative and other legal enactments, decisions, and actions of state organs and officials which contradict the laws and enactments of the president of the Republic.

2. The protest is lodged in the organ which adopted it or the higher-ranking organ. Unlawful decisions and actions of an official are protested in a similar manner.

3. The public procurator's protest is subject to examination by the corresponding organ or official within 10 days. The organ or official is required to inform the public procurator of the day of examination of the protest. The time period for examining a protest in court is determined by legislation.

4. In the protest the public procurator demands that the unlawful enactment be repealed or brought into line with the Constitution and laws or that the unlawful action of the official be terminated and the violated right restored.

5. The public procurator has a right to suspend the execution of the protested enactment or action until a decision is made on the protest. Protesting laws does not suspend their effect.

Article 20. The Decree

1. The public procurator, depending on the nature of the violation of the law, issues a decree instituting a criminal case, a disciplinary proceeding, or an administrative law proceeding.

2. The public procurator issues a decree to conduct a review of the application of a law, to perform seizure and impose attachment, to repeal or cancel measures of a prohibitory-restrictive nature, or to suspend the effect of an unlawful legal enactment, and also in other cases envisioned by law.

3. The public procurator's decree to institute a criminal case, a disciplinary proceeding, or an administrative law proceeding is executed by the appropriate organ or official authorized to do so within the time period established by law, and in other cases within the time period established by the public procurator. The public procurator is immediately informed of the results of the examination.

Article 21. The Sanction

1. The public procurator issues a written sanction (consent) to:

1) arrest a person suspected or accused of committing a crime;

2) search in cases envisioned by criminal procedure legislation;

3) dismiss the accused from his post and place the suspect or accused in a medical institution for an expert examination;

4) conduct operational-search measures and investigative actions affecting the privacy of correspondence, telephone conversations, telegraph messages, and postal consignments and in addition the right to inviolability of residence which are protected by the Constitution and the law;

5) detain foreign citizens for deportation on an administrative basis;

6) in other cases directly envisioned by law.

2. A sanction to perform these actions or a refusal to issue one is made official by the public procurator in the form of a resolution on the official's decree or in a different written form after the materials used as the basis to solicit the sanction are studied.

3. The public procurator issues consent for departmental normative legal enactments on issues of operational-search and other activity which may entail restricting human and civil rights and liberties.

Article 22. The Direction

1. The public procurator gives directions:

1) to organs of preliminary and court investigation in connection with the institution and investigation of criminal cases;

2) to organs which perform operational-search activity;

3) in other cases established by legislation.

2. A direction of the Procurator-General of the Republic of a normative nature on issues of operational-search activity and preliminary and court investigation are mandatory for fulfillment by all organs of preliminary and court investigation and organs which perform operational-search activity.

Article 23. The Petition

1. The public procurator in accordance with legislation has a right to petition the court to restore violated rights and protect interests of the state and legal and physical persons.

2. In cases of evasion of enactments of procuracy supervision or failure to examine them in the time period established by law, the public procurator has a right to petition the court to declare the actions and enactments of the organs and officials void or to eliminate the violations of laws.

3. The petition in court in connection with evasion of or failure to examine enactments of procuracy supervision is reviewed by the court in the manner established by law.

4. No state duty or other fees are charged on the public procurator's petition.

Article 24. The Command

1. A written command to eliminate the violation of the law is submitted by the public procurator and sent to the organ or official who permitted the violation of the law or the organ or official empowered to eliminate the violation permitted.

2. The command contains references to the norms of the Constitution, laws, and enactments of the president of the Republic which have been violated, the nature of the legal offense, and concrete suggestions on steps to eliminate the violation.

3. The command is subject to execution. The public procurator is informed of the execution of the command.

Article 25. The Report

1. The public procurator within the limits of his competence submits a report:

1) on eliminating the violations of legality;

2) on eliminating the causes and conditions which promoted the commission of the crimes and other legal offenses;

3) on issues of stripping the inviolability of persons with this right in accordance with the Republic of Kazakhstan Constitution;

4) in other cases established by law.

2. A report is subject to examination by the official or organ within a month. The public procurator has a right to participate during the examination of the report. The office of public procurator is informed of the results of the examination of the report and steps taken.

Article 26. Explanation of the Law

1. When there are sufficient grounds to believe that ignorance or incorrect understanding of laws may lead to its improper application by an organ, official, or citizen, the public procurator explains the substance of the law, and when necessary—the envisioned responsibility for violating the law.

2. In cases where a draft legal enactment does not comply with the law, the public procurator explains the requirement of the law to the organ or official adopting the enactment.

Article 27. Publication of Enactments of Procuracy Supervision

In order to ensure glasnost in their activity, procuracy organs may publish in the state mass information media enactments of procuracy supervision on unlawful actions and decisions of organs and officials who violate constitutional and other human and civil rights and the interests of legal persons and the state protected by law.

Chapter 4. Supervision of Observance of Human and Civil Rights and Liberties and the Interests of Legal Persons and the State

Article 28. The Tasks of Supervision

1. The tasks of supervision are:

1) ensuring human and civil rights and liberties and the compliance of legal enactments and actions of organs, organizations, officials, and citizens with legislation;

2) taking steps to identify and eliminate any violations of legality and the reasons and conditions which promoted these violations and to restore the violated rights.

2. The office of public procurator does not substitute for other state organs and does not intervene in the activity of organizations and the private lives of citizens.

Article 29. The Powers of the Office of Public Procurator

1. In exercising supervision, the public procurator has a right to do the following:

1) obtain testimony from citizens and officials on issues of the review being conducted;

2) upon presenting official identification enter unimpeded onto the territory and in the premises of state organs as well as organizations of all forms of ownership;

3) obtain from managers and other officials essential documents, materials, statistical data, and other information on the condition of legality and steps being taken to ensure it;

4) enlist specialists to participate in the review and the conclusion;

5) demand in accordance with his competence reviews of the materials and appeals the office of public procurator receives and require that their results be reported;

6) enlist associates of other law enforcement organs to conduct reviews on the basis of cooperation;

7) perform other verification actions envisioned by legislation.

2. Based on the results of the review, the public procurator:

1) lodges a protest;

2) issues commands to eliminate the violations of legality;

3) issues decrees on instituting a criminal case, a disciplinary proceeding, or an administrative law proceeding and takes steps toward compensation of material damage;

4) in the event that human and civil rights and legal interests and those of legal persons and the state have been violated, suspends the effect of the unlawful enactment, with the exception of laws;

5) repeals or cancels measures of a prohibitory-restrictive nature imposed by state organs and their officials;

6) appeals to the court to protect rights and the interests protected by law of the state and legal and physical persons;

7) submits a report on eliminating the violations of legality to the organ or official.

Chapter 5. Representation of the State's Interests in Court

Article 30. The Public Procurator's Powers in Trial

1. In representing the state's interests in court during criminal, civil, or other judicial proceedings and in appeal (cassation) and supervisory proceedings, the public procurator exercises his powers in accordance with the present Edict as well as criminal procedure, civil procedure, and other legislation of the Republic.

2. In the event that he disagrees with the decision, sentence, or other decree of the court (judge) on the case by reason of its failure to comply with the law or lack of substantiation, the public procurator has a right to lodge a protest with a higher court for the purpose of reopening the case and repealing or amending the legal enactment.

Article 31. Protesting Court Decrees Which Have Not Entered into Legal Force

The public procurator has a right, regardless of his participation in the trial of the case, to protest to the higher court a decision, sentence, or other decree of the court (judge) which has not entered into legal force and fails to comply with the law or is unsubstantiated.

Article 32. Protesting Court Decrees Which Have Entered into Legal Force

1. The public procurator within the limits of his competence has a right to demand from the court files for which the decisions, sentences, and other decrees of the court have entered into legal force.

2. In the event the decisions, sentences, and other decrees of the court which have entered into legal force do not comply with the law or are unsubstantiated, the public procurator lodges a protest on a supervisory basis. If a protest is beyond the limits of his competence, the particular public procurator submits a report to the higher-ranking public procurator on lodging a protest.

3. The public procurator's powers to protest and suspend the execution of decisions, sentences, and other decrees of the court which have entered into legal force are defined by legislation.

Article 33. Protesting a Normative Decree of the Supreme Court of the Republic

The Procurator-General of the Republic on grounds of failure of a normative decree of the Supreme Court of the Republic to comply with the Constitution and laws lodges a protest with the Plenum of the Supreme Court of the Republic.

Chapter 6. Supervision of Operational-Search Activity

Article 34. The Content and Subject of Supervision

Observance of human and civil rights and liberties during the performance of operational-search activity and the conduct of operational-search measures, as well as the legality of enactments and actions of organs and officials authorized to carry on operational-search activity, is the subject of supervision.

Article 35. The Public Procurator's Powers To Ensure the Legality of Operational-Search Activity

In exercising supervision of operational-search activity, the public procurator does the following:

1) obtains from organs which carry on operational-search activity operational files, materials, documents, and other necessary information on progress in operational-search activity in order to review them, other than information on the individual citizens who are cooperating or have cooperated on a confidential basis with the organs carrying on the operational-search activity;

2) verifies the lawful nature of special operational-search measures by organs carrying on operational-search activity;

3) examines complaints and petitions on actions and decisions of officials and organs carrying on operational-search activity;

4) protests enactments of a legal nature which regulate the organization and tactics of conducting operational-search measures issued by organs carrying on operational-search activity which contradict the Constitution, laws, and enactments of the president of the Republic;

5) by his decree terminates operational-search measures in the event violations of the law and human and civil rights are uncovered during the performance of operational-search activity;

6) issues decrees to institute criminal cases and disciplinary proceedings against associates who have permitted illegal actions during operational-search measures;

7) issues other enactments of procuracy supervision envisioned by the present Edict based on evidence of violations during the exercise of procuracy supervision of the legality of operational-search activity;

8) releases illegally detained persons;

9) when necessary demands that the leaders of the organs carrying on operational-search activity conduct reviews in the organs subordinate to them in order to eliminate violations of the law;

10) in cases established by legislation issues a sanction to conduct operational-search measures.

Article 36. Public Procurators Who Exercise Supervision of the Legality of Operational-Search Activity

The Procurator-General of the Republic and other public procurators exercise supervision of the legality of operational-search activity within the limits of the competence established by legislation.

Chapter 7. Supervision of the Legality of Court and Preliminary Investigation

Article 37. The Content and Subject of Supervision

The public procurator exercises supervision of the legality of enactments and the activity of the organs of preliminary and court investigation, and observance of the procedure established by legislation for making decisions on petitions and reports on crimes committed and conducting investigations.

Article 38. The Public Procurator's Powers To Ensure the Legality of Preliminary and Court Investigation

1. In exercising supervision of the legality of preliminary and court investigation, the public procurator does the following:

1) obtains criminal files, documents, materials, and other information on crimes committed and progress in operational-search activity and preliminary and court investigation from the organs of preliminary and court investigation in order to review them;

2) verifies compliance with legality when petitions and reports on crimes committed or in preparation are received, registered, and decided;

3) sanctions holding persons in custody and under arrest;

4) in necessary cases institutes criminal cases and gives written directions on conducting the investigation of crimes;

5) repeals unlawful decrees of investigating officers and persons conducting the preliminary investigation;

6) if during the preliminary and court investigations violations of the rights of participants in the process and of other citizens and illegal methods of investigation were permitted, the question of the responsibility of the guilty parties is raised;

7) in cases where the court and preliminary investigations were incomplete or where violations of legality during the court and preliminary investigations were established, the criminal case is returned for additional investigation or it is dismissed completely or against certain persons;

8) sends to the court a criminal case received from the organs of preliminary or court investigation for examination on its merits;

9) when necessary demands that the leaders of investigative subdivisions and organs of preliminary investigation conduct reviews in the organs subordinate to them in an effort to eliminate violations of the law and ensure full exposure of crimes;

10) examines complaints against the actions and decisions of the person who conducted the preliminary investigation, the investigating officer, and the heads of the organs of preliminary and court investigation;

11) verifies observance of the procedure established by legislation and conditions for holding in custody persons for whom arrest has been chosen as a measure to ensure court appearance;

12) exercises other powers established by law.

2. The public procurator's directions within the limits of his competence are given in writing and are mandatory for persons conducting the preliminary and court investigations.

Article 39. Sanctioning Arrest

1. The right to issue a sanction to arrest a person suspected or accused of committing a crime belongs to the Procurator-General of the Republic, public procurators of oblasts and public procurators equivalent to them, and their deputies, and rayon, city, and other public procurators equivalent to them.

2. The public procurator sanctions the arrest of a person after studying the materials submitted by the organs of preliminary and court investigation. In necessary cases the public procurator has a right to interrogate the person against whom the sanction is requested based on the facts of the case in order to decide the question of issuing a sanction for arrest.

3. Refusal to issue a sanction for arrest is given in writing and indicates the reasons for the refusal and may be appealed.

Chapter 8. Supervision of the Legality of Administrative Law Proceedings

Article 40. The Content and Subject of Supervision

The office of public procurator exercises supervision of the legality of administrative law proceedings for the following purposes:

1) to ensure precise and uniform application of legislation on administrative offenses and during the examination of cases and determination of penalties for the administrative offense committed;

2) to restore violated human and civil rights and legal interests and those of officials and organizations during the application of legislation on administrative offenses;

3) to guarantee citizens the right to appeal any enactment involving administrative law proceedings;

4) to take steps against those guilty of violating legality during the application of legislation on administrative offenses.

Article 41. The Public Procurator's Powers To Ensure the Legality of Administrative Law Proceedings

In exercising supervision of the legality of administrative law proceedings, the public procurator has a right to do the following:

1) demand and obtain information, documents, and files on administrative offenses from authorized officials and organs;

2) examine complaints against the actions and decisions of officials and organs whose competence includes examining administrative offenses and imposing penalties;

3) verify the legality of administrative detention and arrest of citizens as well as the grounds for other rehabilitation measures for administrative offenses;

4) take part in examining a case on an administrative offense, submit petitions, and issue conclusions on questions which arise during the examination of the case;

5) verify the execution of decrees imposing administrative penalties;

6) take steps to bring to responsibility officials who have permitted violations of civil rights and liberties and the legal interests of physical and legal persons and the state;

7) institute proceedings on cases of administrative offenses;

8) perform other actions envisioned by law.

Article 42. The Public Procurator's Enactments To Ensure Legality in Administrative Law Proceedings

Based on the results of reviews, the public procurator has a right to do the following:

1) submit to the court or other authorized organ or official a protest against the decree or decision in the case of an administrative offense;

2) provide written directions to authorized officials and organs (other than the court) on conducting an additional review;

3) demand that the authorized organs conduct a review in the organizations under their control and subordinate to them;

4) in cases established by law dismiss the proceedings on an administrative offense;

5) suspend the execution of a decree or decision on an administrative offense;

6) issue a decree releasing a person illegally subjected to administrative detention;

7) issue a decree or demand to cancel all measures of a prohibitory or restrictive nature imposed by officials of authorized state organs in connection with performing their duties in cases where the rights and legal interests of physical and legal persons and the state have been violated;

8) issue a decree to institute proceedings on an administrative offense.

Chapter 9. Supervision of the Legality of the Execution of Court Decisions

Article 43. The Content and Subject of Supervision

1. The public procurator exercises supervision of the following:

1) the legality of keeping persons in places of incarceration in carrying out punitive and other enforcement measures ordered by the court;

2) observance of the procedure and conditions established by legislation for keeping convicts in these institutions and protection of their rights and liberties;

3) the legality of carrying out punishment not involving incarceration;

4) the legality of carrying out court decisions on civil, economic, and other cases.

Article 44. The Public Procurator's Powers To Ensure the Legality of the Execution of Court Decisions

In exercising supervision of the legality of the execution of court decisions, the public procurator within the limits of his competence has a right to do the following:

1) demand precise and uniform application of the Constitution, laws, and international treaties of the Republic of Kazakhstan on human rights and humane treatment of arrested and convicted persons;

2) demand and review the execution of court decisions on cases of protecting civil rights and interests and those of the state and on suits and petitions of the public procurator;

3) visit places of incarceration and other institutions which carry out punishment and other enforcement measures prescribed by the court at any time in order to inspect them;

4) interrogate detained, arrested, and convicted persons and persons subjected to enforcement measures;

5) demand and obtain documents on whose basis these persons were detained or arrested, are serving their sentences, or were subjected to other enforcement measures;

6) by his decree immediately release any persons illegally held in places of incarceration or institutions which carry out enforcement measures;

7) cancel disciplinary penalties imposed in violation of the law against persons who are serving a sentence in places of incarceration and by his decree release them from isolation cells, solitary confinement, and punishment cells;

8) in cases established by law sanction the enactments of the administration of institutions which carry out punishment.

Chapter 10. Criminal Prosecution

Article 45. The Limits of Criminal Prosecution

The office of public procurator in accordance with the Constitution and in the manner and within the limits established by the present Edict and criminal procedure legislation carries out criminal prosecution.

Article 46. Powers with Respect to Criminal Prosecution

In the performance of criminal prosecution, the public procurator:

1) has a right to participate in inspecting the scene of the incident, prescribe expert studies, and in addition perform other actions needed to decide the question of instituting a criminal case;

2) institutes a criminal case or refuses to institute one;

3) turns over criminal cases instituted by the office of public procurator to the appropriate organ for preliminary investigation or pretrial investigation;

4) in cases envisioned by law sanctions the actions of officials who handle court and preliminary investigation as well as operational-search activity;

5) participates in performing certain investigative actions;

6) submits a report to obtain consent to bring persons with immunity to criminal responsibility;

7) sends the case to the court.

Article 47. Sending the Case to Court

1. The public procurator or his deputy in studying the criminal file received with the charge is required to review compliance by the organs of preliminary and court investigation with the demands of legislation and the sufficiency of grounds to turn the accused over to the court for trial.

2. If there are sufficient grounds for the court to hear the criminal case, the public procurator or his deputy sends the case to court.

3. While working on sending the case to court, the public procurator has a right to do the following:

1) dismiss the case or terminate criminal prosecution against the person;

2) remove certain points from the charge or apply the law on the least serious crime;

3) select, amend, or cancel the measure to ensure appearance in court;

4) return the criminal file for additional investigation.

Chapter 11. Serving in the Procuracy Organs and Social and Legal Protection of Associates of the Procuracy Organs

Article 48. Public Procurators and Associates of the Procuracy Organs. Requirements for Persons Who Enter Service in the Procuracy Organs

1. Public procurators include: the Procurator-General of the Republic and his first deputy and deputies, senior assistants and assistants, and assistants for special commissions, chiefs of administrations and departments of the procuracy organs and their deputies, all lower-ranking public procurators and their deputies, senior assistants, and assistants, public procurators for an area of supervision, and senior public procurators and public procurators of administrations and departments of procuracy organs, as well as military, authorized, and special public procurators.

2. Persons certified for the posts of public procurators and certified employees of scientific and educational institutions of the office of public procurator who directly perform scientific research or teaching work are associates of the procuracy organs.

3. Specialized offices of public procurators means offices of military, nature protection, and transport public procurators, as well as offices of public procurators of special facilities.

4. Entering service in the procuracy organs is accomplished on the condition of a preliminary query to the republic center for data on cadres of state employees and citizens undergoing a mandatory special review.

5. Persons who had a criminal record and were released from criminal responsibility on grounds not involving rehabilitation and persons dismissed from state service, the procuracy organs or other law enforcement organs, the courts, or organs of justice for negative reasons cannot be hired to work in procuracy organs.

6. Citizens of the Republic of Kazakhstan who in terms of their state of health are suited to serve in the procuracy organs and as a rule have higher education may be hired for the posts of associates of the procuracy organs. A probationary period may be set when they are appointed to the post.

7. Citizens with higher legal education who possess the necessary work and moral qualities and in terms of their state of health are suited to serve in the procuracy organs may be appointed public procurators. Military public procurators must, in addition, be servicemen.

8. Persons at least 25 years of age with at least 3 years of service in procuracy organs are appointed to the posts of public procurators of oblasts and equivalent public procurators and rayon and city public procurators and public procurators equivalent to them.

9. Associates of the procuracy organs are subject to certification once every 3 years. The certification procedure is determined by the Procurator-General of the Republic of Kazakhstan.

10. A person appointed to a post in the procuracy organs for the first time takes an oath whose text is approved by the president of the Republic.

11. The procedures for serving in the procuracy organs is regulated by the Statute on Serving in the Procuracy Organs of the Republic of Kazakhstan approved by the president of the Republic of Kazakhstan.

Article 49. Class Ranks, Military Ranks, and the Uniform of Associates of the Office of the Public Procurator

1. In accordance with the post held, qualifications, and years of service, associates of the procuracy organs are awarded class ranks and military ranks.

2. Uniforms whose design and norms of propriety are established by the president of the Republic are

furnished free of charge to persons who have been awarded class ranks and military ranks of associates of the procuracy organs.

3. The procedure for awarding and stripping class ranks and military ranks is determined by the Statute on Serving in the Procuracy Organs.

4. A pay supplement is set for persons who have class ranks and military ranks in accordance with legislation.

Article 50. Legal Protection of Associates of the Procuracy Organs

1. Associates of the procuracy organs are representatives of state power and are under the protection of the state.

2. Failure to fulfill the lawful demands of a public procurator, insulting behavior, a threat, violence, or infringement on the life, health, and property of a public procurator or members of his family in connection with his official activity and other actions which prevent the public procurator from performing official duties entail the responsibility established by law.

3. Any review of a report that an administrative offense has been committed by a public procurator is made with the participation of representatives of the procuracy organs.

4. Administrative detention and personal inspection of the public procurator and inspection of his things and the transport he uses are not permitted when he is performing his official duties, with the exception of cases when this is envisioned by legislation.

Article 51. Employment of Firearms and the Use of Special Means

1. Associates of the procuracy organs have the right to do the following:

1) acquire, carry, and keep firearms and ammunition;

2) employ a firearm in cases of essential defense and extreme need in the manner established by the Procurator-General of the Republic.

2. In all cases where a weapon is used, the associate of the procuracy organs is required to take the necessary steps to ensure the safety of citizens in the vicinity, provide emergency medical aid to victims, and inform the higher-ranking public procurator.

Article 52. Legal Regulation of Labor

Labor relations:

1) of associates of the procuracy organs are regulated by the present Edict, the Statute on Serving in the Procuracy Organs, as well as labor legislation to the extent it does not contradict the present Edict;

2) of workers and white-collar workers of the procuracy organs are regulated by labor legislation.

Article 53. Material and Social Support of Associates of the Office of Public Procurator

1. The labor payment of associates of the procuracy organs consists of the following: the official salary, pay supplements for class rank, and allowances for years of service which may not be reduced, as well as bonuses and other supplements.

2. Associates of the procuracy organs are granted an annual leave of 30 calendar days.

3. Associates of the procuracy organs enjoy the right to priority provision of housing from the official housing fund.

4. Official housing occupied for permanent residence by associates of the procuracy organs who have served for more than 10 calendar years is turned over to them and their families upon the request of these associates on the basis of a lease contract or is bought for their personal ownership by payment of the outstanding balance.

5. Associates and pensioners of the procuracy organs cannot be moved from official housing without being offered other housing.

6. In the event an associate of the procuracy organs perishes while performing official duties, the deceased's family has the right to obtain housing from the state housing fund no later than 1 year from the day of his death under the conditions and in the manner established by legislation.

7. Associates of the procuracy organs are subject to mandatory personal and medical insurance at the expense of republic budget capital.

8. In the event associates of the procuracy organs perish (die) while performing official duties or within 1 year after being discharged from service as a result of a trauma or injury received while performing official duties, the dependents and heirs are paid a one-time insurance sum equal to 10 years pay at the last post held.

9. Associates of the procuracy organs and members of their families enjoy medical and health resort service in the appropriate state health care institutions in the manner established by the Government of the Republic.

10. Associates of the procuracy organs, other than workers and white-collar workers, have the right to do the following:

1) travel free of charge on public transport;

2) upon presenting official and travel identification documents obtain out of turn travel documents on all types of transport and obtain rooms in hotels.

11. A one-time monetary compensation payment equal to 3 months pay is paid to bury associates of the procuracy organs who went on pension from a post as an associate of the procuracy organs and died or perished.

12. A monthly supplement to the official salary equal to 50 percent of the total pension which could be set for them is established for associates of the procuracy organs who have reached the pension age determined by legislation.

Article 54. Allowances for Years of Service

Associates of the procuracy organs are paid a monthly allowance for years of service in percentages of the total amount of the official salary including pay supplements for class rank and depending on the length of service in the following amounts: for more than 3 years—15 percent; for more than 5 years—20 percent; for more than 10 years—30 percent; for more than 15 years—40 percent; and for more than 20 years—50 percent.

Article 55. Counting Previous Work in Years of Service

Time serving (working) in the following bodies is counted in years of service which give the right to receive allowances:

1) procuracy organs from the day of appointment to a post which envisions the awarding of class rank;

2) procuracy organs in posts subject to being filled by specialists with higher legal education;

3) state arbitration organs as arbitrators and judges of the arbitration court;

4) as a judge;

5) the State Investigation Committee and its organs, internal affairs organs, and national (state) security organs in officers' operational-investigation posts;

6) state organs and organizations in a legal specialization in posts subject to being filled by specialists with higher legal education;

7) the time of scientific and pedagogical work in a legal specialization.

Chapter 12. Other Issues of the Organization and Activity of the Office of Public Procurator

Article 56. Financing of the Procuracy Organs

Financing of the procuracy organs of the Republic of Kazakhstan is provided from republic budget capital.

Article 57. The Seal and Identification Document

1. Identification documents of the established design are issued by the president of the Republic to the Procurator-General of the Republic and his deputies.

2. The Procurator-General of the Republic and public procurators of oblasts issue the established design of identification documents to subordinate associates.

3. The Office of Procurator-General of the Republic and offices of public procurators subordinate to it have seals with an image of the State Emblem of the Republic of Kazakhstan and their own title in the Kazakh and Russian languages and the corresponding accounts in banking institutions of the Republic of Kazakhstan.

Article 58. The Procedure for the Present Edict To Enter into Force

The present Edict enters into force the day it is published.

Article 59. Measures To Realize the Present Edict

1. The Office of the Procurator-General of the Republic of Kazakhstan must formulate and submit the following documents to the president of the Republic of Kazakhstan for examination:

1) the Statute on Procedures for Serving in the Procuracy Organs of the Republic of Kazakhstan;

2) the text of the oath of associates of the procuracy organs.

2. Declare the Republic of Kazakhstan Law dated 17 January 1992 and entitled "On the Office of Public Procurator of the Republic of Kazakhstan" (VEDOMOSTI VERKHOVNOGO SOVETA RESPUBLIKI KAZAKHSTAN, No 5, 1992, p 104; No 8, 1993, p 179; No 9-10, 1994, pp 148, 158; and No 3-4, 1995, p 34) void.

President of the Republic of Kazakhstan N. Nazarbayev

Almaty, 21 December 1995

Kazakhstan: Situation in Oil-Gas Complex Analyzed

964F0819A Almaty AZIYA-EZH in Russian 9, 15 Jan 96

[First two installments of three-part article by A. Loginov: "Problems and Prospects for the Oil and Gas Complex of the Republic of Kazakhstan"]

[FBIS Translated Text]

[No 2, 9 Jan 96 p 17]

With the acquisition of Kazakhstan's state independence, the oil and gas complex of the republic, despite hopes placed therein of constituting a source of major currency receipts and a base for the establishment of a flourishing economy, has not only failed as yet to gain any real momentum for stable development—it is in fact undergoing deep crisis. Over the years of independence, notwithstanding the appearance of foreign investors, the extraction and refining of oil and gas diminished by 25-30 percent. The volume of geological exploratory work was sharply curtailed, putting a halt to the additional exploitation of proven hydrocarbon reserves. We saw ever increasing stoppages of fuel and energy delivery to the country's industrial centers. Liberalization of prices for energy resources only spurred on the spiral of inflation. The problems of economic crisis that are also characteristic of other former USSR republics find themselves intensified in Kazakhstan by complexities in the resolution of such problems as transportation of oil and gas to the far abroad and the international legal status of the exploitation of hydrocarbon deposits in the Caspian shelf.

The Resource Base and Its Development

Kazakhstan ranks among the top 10 countries of the world with respect to prospected reserves of raw hydrocarbons. As of the outset of 1993, its prospected oil reserves amounted to 2.21 billion tonnes, gas condensate—0.69 billion tonnes, and natural gas—2.49 trillion cubic meters. Aggregate reserves of oil and gas approach 2 percent of the proven world reserves of liquid and gaseous hydrocarbons. The main oil fields undergoing development are concentrated in the Emba and Mangyshlak Basins. Significant financial and marketing problems are being experienced in the development of existing fields and exploitation of new ones. This has had a primary influence on the production level, which in 1994 alone diminished by 29.4 percent with respect to oil, and 45.6 percent for gas. According to M. Morozova's "The Oil and Gas Complex of Central Asia" and prospects for development published in DELOVOY MIR, 18-24 July 1994: Predicted oil reserves are estimated at 8.0 billion tonnes; oil production in 1993 amounted to 22.0 million tonnes, in 1994 (preliminary estimate)—17.0 million tonnes; predicted gas reserves are estimated at 5.0 trillion cubic meters; gas production in 1993 amounted to 8.3 billion cubic meters, in 1994 (preliminary estimate)—5.7 billion cubic meters.

Such significant potential oil and gas resources became the focus of attention on the part of the world's leading transnational oil companies. According to some estimates, the total amount of foreign investments in Kazakhstan's oil and gas complex in the coming decade will exceed $40 billion. In addition to the resources themselves, foreign investors are attracted by the greater profitability level accruing to their investments. Today the level of pure profit in oil production in Russia is 10 percent, in the United States—25 percent, and in Kazakhstan—32 percent. In addition, the leadership of our country has presently been demonstrating a great degree of political stability in comparison with other CIS states. In the opinion of experts of the transnational oil company British Petroleum, under conditions of diminishing oil and gas production volumes in the world's traditional fields, Kazakhstan's plans to effect sharp production increases of these energy resources by the year 2015 may afford the republic one of the leading world positions in the production of raw hydrocarbons.

In particular, plans for the development of Kazakhstan's oil and gas industry envisage construction of the Zhanazholskiy Gas Refinery, installation of catalytic cracking equipment at the Chimkent Oil Refinery, modernization of the oil refinery in Atyrau, construction of the oil refinery in Mangistau, and restoration of the oil field in Uzen. In the opinion of N. Balgimbayev, the republic's oil and gas industry minister, Kazakhstan expects to attain a level of oil production of up to 45 million tonnes by the year 2000.

The oil and gas industry of the Republic of Kazakhstan is concentrated in the western portion of the country. The state holding company Munaygazkurylys is engaged in the exploration, extraction, transportation, and refining of oil and gas. This company comprises four geophysics, six oil-extraction, two transportation, three oil-refining, and two gas-refining enterprises. Munaygaz produces about 20 million tonnes of oil per year. Company president M. Salamatov estimates that the production association Mangistaumungaz (known prior to 1992 as Mangyshlakneft), a component of the holding company, is the largest oil-producing company in Kazakhstan. Its general director, N. Marabayev, believes the association is capable of increasing its oil production from the present 10 million tonnes to 15 million tonnes by the year 2000. Fields opened in Mangistau's northern region back in the 1970's are estimated to hold 600 million tonnes of oil and 140 billion cubic meters of gas.

Kazakhstan has two unique fields—the Tengiz Oil Field and the Karachaganak Oil and Gas-Condensate Deposits. In the opinion of experts, however, their development will require incomparably greater initial investments and operational outlays than the equivalent well-known world deposits.

In the view of Kazakhstan's specialists, the greater development expenses are the result of the great formation depths (4-5.5 kilometers), complex mining and geological conditions for drilling, the need at both deposit sites to effect primary (prior to transportation) oil and gas refining (de-mercaptanization of the oil and removal of hydrogen sulfide from the gas), and the need to use reverse gas injection technology at Karachaganak to more completely extract the condensate. In addition, the competitiveness of oil and gas production at these deposits will be determined to a large degree by the extent to which the most valuable accompanying components are recovered (condensate, methane and sulfur homologues), thus limiting the scope of production by the availability of capacities for deep oil and gas refining.

The Tengiz Oil Field. Reserves are estimated to be 500-800 million tonnes of oil. Until recently, the contract of the century was considered to be the agreement between Kazakhstan and the American oil company Chevron on development of this oil field. Cost of this project is estimated at $20 billion. The cooperative effort is expected to continue for 40 years. Distribution of profits in accordance with a "production sharing" agreement is expected to be in the ratio 80.4:19.6, in favor of Kazakhstan, and income to the state budget should comprise $60 billion. According to the original version, in 1993-1994 it was planned to produce and export 3 million tonnes of oil a year, beginning in 1995—6 million tonnes, and by 2010 production volume was expected to comprise 30 million tonnes.

But during the two years following the signing of the documents, only 1 million tonnes of oil were produced (instead of the planned 5 million). In the opinion of experts, there are no grounds today to expect that the deficit will manage to be made up in the next few years. In the words of M. Dupre, general director of the joint enterprise Tengizchevroil, the Americans have conscientiously been fulfilling the obligations they undertook, and as early as 1994 the oil field could yield up to 6 million tonnes annually. But export of the oil is restrained by two main factors—a lack of transportation networks and inadequate primary oil-refining capacities. In Mr. Dupre's opinion, these problems will not be solved for another three to five years. But in fact, investments were suspended towards the end of 1994 and personnel are being reduced.

The geological and ecological components of this project are also important in order to obtain a true assessment of the prospects for development of the Tengiz Oil Field. Some experts believe that a rapid escalation of production in this region might lead to a most serious ecological catastrophe, surpassing the Chernobyl and Aral tragedies in its scope. The fact that there are such assessments obligates us to pay very serious attention to studies of the ecological consequences of the exploitation of raw hydrocarbons in the region, and to enlist experts from the Caspian states in their conduct.

The Karachaganak Oil and Gas-Condensate Deposits. Reserves at this field are estimated to be 200 million tonnes of oil, 650 million tonnes of gas condensate, and 1.3 trillion cubic meters of gas. Over 10 years of operation (during the Soviet period), production volumes amounted to 28 million tonnes of oil and 32 billion cubic meters of gas. The maximum production levels of 4.2 million tonnes of oil per year and 4.5 billion cubic meters of gas per year were achieved in 1991. Continued development of the field required significant capital investments that our newly independent state was not able to acquire.

In 1992 the Government of Kazakhstan conducted an international competition for the right to develop the Karachaganak deposits. The company British Gas and Italian firm Agip won the competition. Having promised to invest about $5 billion for development, foreign investors "failed to provide a cent" over three years, as reported by KAZAKHSTANSKAYA PRAVDA. True, according to data published in FINANSOVYYE IZVESTIYA, British Gas and Agip spent $50 million on a study of the field beginning in 1992. Despite the contradictory data presented here, the actual state of affairs at these deposits provide no cause for optimism to date.

In 1994, according to estimates of government experts, only 50 percent of the maximum production level of 1991 will be achieved here. Only 15 out of 130 producing wells at the deposits are in operation, only one of 32 drilling rigs is functioning. The Karachaganak deposits are experiencing a severe shortage of technology, equipment, and qualified manpower. The adverse aspects remain with respect to primary refining of the extracted oil and gas, as well as problems in marketing. According to certain assessments, about $46 million in investments will be required to stabilize the production level.

It is under these critical conditions that negotiations were begun with the Russian company Gazprom, which had started the development of these deposits and was now showing an interest in their further exploitation. In November 1994, representatives of the company Kazakhgaz proposed that foreign operator-investors approve the Russian company's request that it be allocated 15 percent of the participatory share in development of the Karachaganak deposits out of their share, threatening if they did not do so to abrogate the agreement according to which they were afforded exclusive exploitation rights.

In March 1995 an agreement was signed between foreign investors and Gazprom (whereby the Russian company received 15 percent of the shares) which could accelerate development of the field. Gazprom control over capacities for transporting gas along Russian pipelines to the West European market should provide significant momentum for the real revival of gas production in the region. Over the course of a year, the Western and Russian partners will conduct all- encompassing rehabilitative efforts whose declared aim is to achieve the previously attained volumes of gas production. This project constituted a precedent—a Russian company acquiring a share of a major oil and gas project in the CIS countries, by virtue of reducing the share accruing to Western partners.

The Caspian Shelf. Predicted reserves in Kazakhstan's portion of the Caspian shelf, extending over an area of 100,000 square kilometers, are assessed at 3.5-4.8 billion tonnes of oil and 2.0 trillion cubic meters of gas. However, exploratory drilling in this region has been prohibited since the beginning of the 1970's, when the area was declared a natural preserve. Under conditions of grave economic crisis, the Republic of Kazakhstan decided to undertake efforts in the exploration and production of oil and natural gas in the continental shelf and ocean floor. It was emphasized in this regard that the ecological significance of the Caspian Sea would not be contested and the need to ensure its safety would be acknowledged.

According to the concept of development of this oil and gas producing area developed by the Government of Kazakhstan, the state company Kazakhstankaspiyshelf, organizer of the international consortium of Western investors, was created in 1993 to develop this area. It comprised seven oil and gas companies: British Petroleum, British Gas, the Italian company Agip, the Norwegian firm Statoil, the French company Total, the American firm Mobil, and the British- Dutch firm Royal Dutch Shell. In September 1994, the consortium embarked upon seismic exploratory efforts, the cost of which was assessed at $350 million, to extend for a period of two-three years.

The Government of Kazakhstan intends over this period of time to conduct a series of ecological studies to clarify the influence of the development of oil and gas deposits on the regional environment, and to draw up a legislative base regulating this activity and minimizing its influence on the ecology. To carry out these measures, it is proposed to take advantage of scientific-technical assistance from the United States Environmental Protection Agency and Department of the Interior, as well as financial assistance from the World Bank amounting to $25 million.

Representatives of Western companies, bearing in mind the world experience of providing compensation for damages to the environment, are in no hurry to complete exploratory drilling, and industrial development of the fields is planned only towards the end of 2003, when the legal base has been established and set in motion and ecological studies have been conducted. In the event exploratory efforts assisted by space photography confirm the presence of oil and gas reserves in the depths of the Caspian shelf, then in the opinion of Western experts, exploitation of this sphere may become the largest investment project in the world at the outset of the coming century. It is expected that full implementation of this project would enable us to increase oil production in Kazakhstan by 40-45 million tonnes a year after the year 2010.

All in all, while possessing significant reserves of raw hydrocarbons, Kazakhstan is experiencing an acute shortage of capital investments needed to exploit them. Any real flow of investment capital is being restrained today by the inability to resolve basically two problems—the status of the Caspian Sea and the transportation infrastructure that would provide communications with the main consumer markets. According to certain assessments by Kazakhstani experts, only major international consortiums would be capable of eliminating the country's transportation isolation, if the political conditions and international legal basis were created under which all the participating states might carry out this activity.

In this regard, the problem of priority development of the country's oil and gas complex is under discussion in Kazakhstan's government, scientific, and business circles. In helping to overcome today's crisis and improve the economy, such an orientation could be realized using our existing resource, raw material, and technological bases, with minimum dependence on the external political situation. Within this scheme it has been proposed to develop the Yuzhno-Turgayskiy and Chu-Sarysuyskiy oil and gas basins. As of 1994, the volume of explored reserves of oil in South Turgay alone is estimated to be 150 million tonnes, of oil—30 billion cubic meters. These deposits are distinguished by their simple mining and geological conditions and relatively shallow depth of formation (up to 2,000 meters). According to certain estimates, these fields may achieve a production level of 6-7 million tonnes per year with the use of already existing technologies, and 12-15 million tonnes per year if new technologies are introduced. In today's crisis situation, accelerated development of the South Kazakhstan oil and gas basin could have a significant effect on the domestic fuel-resources market and ensure its saturation in the near future.

The Problem of Status of the Caspian Sea

The problem of regulation of economic activity in the Caspian Sea emerged with a new criticality following the collapse of the USSR, when newly independent states were formed, ready to undertake efforts to develop the region's oil and gas deposits with the aim of obtaining the additional resources needed to radically restructure the economies of these states.

The basic document determining jurisdiction with respect to the Caspian Sea prior to the collapse of the Soviet Union was the treaty between the USSR and

Iran on common use (signed in 1940). This treaty does not envisage the concept of territorial waters, but neither does it stipulate conditions for the conduct of oil and gas production efforts. To date, despite activation of the negotiations process, the parties have failed to reach any mutually acceptable solution. All the Caspian states, with the exception of Russia, believe this treaty cannot comprise a basis for regulating relations under today's conditions. Even official Iranian representatives declared in the fall of 1994 that with the collapse of the Soviet Union and emergence of the newly independent states, previous agreements between Iran and the USSR are losing their force.

Lying at the foundation of the Russian position, the position actively supported by the Russian Federation Ministry of Foreign Affairs, is the provision that the Caspian Sea and its resources constitute the common property of the Caspian states and an object of their joint use. In this regard, Russia agreed to define a 10-12 mile coastal waters zone which would fall entirely under the jurisdiction of each Caspian state.

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Kazakhstan's proposals on the question of status of the Caspian Sea are as follows: that all the Caspian states should act in accordance with international law, proceeding from the fact that the Caspian is a closed body of water; that the floor and depths of the Caspian should be divided among those countries that independently decide matters pertaining to its industrial development; that it is necessary to preserve common shipping and fishing; that each state bears responsibility for the ecological condition of this body of water; that it is necessary to create a regional coordinating organ to ensure a balance of interests of all the Caspian states.

In July 1994, Kazakhstan sent Russia, Azerbaijan, and Turkmenistan a draft convention on the Caspian Sea based on a program for protecting the biological diversity of the Caspian and its coastal zone. However, this draft too upholds a precise determination of sectors of the Caspian's floor and shelf in which each Caspian state may carry out the exploitation of hydrocarbon deposits. Official representatives of Kazakhstan have repeatedly expressed an interest in creating a system by which there is maximum legal stability for oil and gas production efforts in the region. At the same time, not a single declaration has appeared that would suspend efforts planned or already begun by the consortiums that have been formed.

Azerbaijan and Turkmenistan support Kazakhstan's position, recognizing the need to coordinate actions to protect the ecological state of the Caspian. They do not agree that it is impossible to independently exploit the oil and gas deposits of the region. Specifically, Azerbaijan is categorically opposed to Russia's proposal on the 10-12 mile zone in apportioning the Caspian floor, insofar as the main deposits are located 40 miles or more from its shores. In October 1994, Turkmenistan's President S. Niyazov proposed that an international consortium be created for exploitation of the Caspian shelf, which could become an effective mechanism for resolving problems pertaining to the status of the Caspian Sea. At the same time, he noted that he was not opposed to the Azerbaijani transaction for development of oil and gas deposits. Given such an ambiguous position, it is unclear who then would join the proposed consortium and what would be its relationship with those companies that were already independently planning to undertake production efforts. In addition to the above-mentioned proposal for resolving the problem of status of the Caspian Sea, there exist a great many others, such as establishment of an organization for regional cooperation and formation of an interstate committee for the development of oil and gas deposits. However, none of these have as yet materialized. Obviously Russia would like to participate in the transportation of oil and gas from the newly formed states to world markets. We can hardly expect today that the Caspian states (Kazakhstan, Azerbaijan, and Turkmenistan), experiencing such serious economic difficulties, would reject development of the shelf and sea floor of the Caspian—which would provide them an influx of foreign investments, increase revenues from the export of energy resources, expand employment and economic stabilization, and revive and rebuild the economy. They just do not have the financial and material resources to be able to cope with their economic problems simply in expectation of seeing an end to the negotiations on this package of issues that have been dragging on so long. These states will likely afford all state security guarantees to foreign investors that agree to begin the development and operation of new oil and gas regions. The fact that Russia maintains its position with respect to the question of status of the Caspian Sea, although not devoid of justification, may exacerbate Russia's relations with the Caspian states.

A way out of the situation must be found through negotiations with all concerned parties. Thus during consultations in October 1994, representatives of the Ministries of Foreign Affairs of five Caspian states coordinated a draft treaty on regional cooperation.

In addition, with the aim of monitoring the ecological state of the Caspian, it is necessary to establish an observation council, whose members would consist of all the Caspian states. International experts and ecologists from UNEP (United Nations Environment Program) could be invited to participate in the work of such an agency. This would impart an objective nature to the decisions made and would enhance the international prestige of the structure. During its initial stage of activity, the council's decisions could be recommendatory in nature for the participating countries.

The position of the Russian Federation Ministry of Fuel and Energy expressed by one of its representatives in September 1994 is significant in this regard. "We respect efforts of the Russian Federation Ministry of Foreign Affairs to protect Russian interests in the Caspian shelf, but we have no intention of sitting around and waiting while the train leaves the station." Acting as the conductor of this position is one of the largest Russian oil companies—LUKoil, which has assured itself a 10 percent participation in the Azerbaijani consortium and thereby represents Russian interests. In our opinion, Russia should establish a consortium composed of national oil companies with the aim of participating in such projects in the Caspian region. In this matter it is necessary to coordinate the actions of all concerned departments (Ministry of Foreign Affairs, Ministry for Foreign Relations, Ministry of Fuel and Energy) with the policy of Russia's largest managing entities.

Pipeline Transportation Problems

The development of Kazakhstan's oil and gas complex is being held back to a great degree because of the lack of development of its pipeline transportation system (internal and external). The country finds itself cut off in fact from its largest foreign customers—the oil and gas market of Western Europe. Kazakhstan's oil and gas fields have traditionally been oriented on the satisfaction of USSR needs—the Volga, Urals, and Siberian regions of Russia, and the former Central Asian republics. Today the consumer demand for Kazakhstan's energy resources has diminished considerably and in no way can satisfy the country's export requirements. Foreign investors who concluded agreements in Kazakhstan prior to the collapse of the USSR were guaranteed transit across Russian Federation territory of the oil and gas extracted, enabling them to remove themselves entirely from any problems in Kazakhstan's own transportation pipeline system.

Today, in accordance with an intergovernmental agreement, full implementation of which is considered doubtful by many experts, the transit of just 3 million tonnes of Kazakhstan's oil per year is ensured across Russia's pipeline system. However, these volumes do not satisfy Kazakhstan's present-day requirements, not to mention the near future. Kazakhstan has urgently begun seeking ways to "disentangle" this problem. A great many plans have appeared for laying new pipeline that would connect the country with main consumer markets—Western Europe and Southeast Asia.

All in all, the designs for transportation of Kazakhstan's hydrocarbons to West European markets can be divided into two groups: the southern and northern variants (there also exist proposals for shipping Kazakhstan's oil to the Indian Ocean, and through China to Japan. However, these alternatives are more hypothetical in nature). The southern variants envisage joining Kazakhstan's oil and gas production regions with Baku or Iran, and further transportation of the crude oil to terminals of the Mediterranean Sea or Persian Gulf. Some of the more well-elaborated plans include: northern Iranian territories—Turkey (Mediterranean Sea); Azerbaijan (Baku)—Armenia—Turkey; Azerbaijan—Iran—Turkey; Azerbaijan—Armenia—Georgia—farther by tanker.

The estimated cost of these alternatives fluctuates from $2 to $3 billion, while the throughput capacity does not exceed 20-30 million tonnes a year. The southern routings suffer from definite deficiencies.

First of all, they pass through territories of states whose political conditions are not sufficiently stable. Until such time as the military conflict between Armenia and Azerbaijan is ended through conclusion of a peace treaty, until the political tension in Abkhazia evaporates, it can hardly be considered possible to find external sources of credit to finance any construction of trans- Caucasian pipeline. Secondly, in the opinion of British Petroleum experts, the laying of pipeline from Kazakhstan to European markets across Iranian territory is "entirely problematic," insofar as there are no guarantees that the rate Iran charges for hydrocarbon transportation will be lower than that charged by Russia. Chevron experts note that their company does not want to become dependent upon Iran or Iraq, does not want to tie in the future of Tengiz with development of the political situation in the Persian Gulf. Thirdly, in the political of Western experts, Russia's geopolitical situation is such that its views absolutely must be taken into account in this matter. In the opinion of British Petroleum experts, "negotiations must be conducted and agreement reached" with Russia. Finally, calculations of the throughput capacity for all southern pipeline routings are not based on large-scale shipments of oil, a factor which narrows Kazakhstan's interest in implementing them. But expansion of the throughput capacity of these routings would lead to significantly increased expenses (of up to $10 billion, according to a number of estimates). This makes such alternatives virtually unrealizable under conditions where participants are experiencing a critical shortage of financial resources.

The northern alternative envisages laying pipeline across Russian territory to the terminals of Novorossiysk. It seems more realistic not only from the point of view of political stability, but also with respect to economic effectiveness for all the concerned parties—Russia, Kazakhstan, Azerbaijan, and foreign investors. Construction of a northern pipeline network is economically advantageous in all respects. First of all, such a network cuts the pipeline distance applicable to the southern routings almost in half (930 miles). Accordingly, expenditures to construct the pipeline (from $1.1 to 1.5 billion is required) are reduced by more than half. The rate for shipping oil from Tengiz to Novorossiysk ($3.25/tonne) is appreciably lower than that for the southern routings ($5.30-5.55/tonne). Turkey's threatened ban of tanker transit through the straits to the Mediterranean Sea has not yet been implemented, insofar as Turkish objections run counter decisions of the international conference in Montreux (1936). In addition, the obstacles thus presented could be overcome by constructing a pipeline that circumvents the straits and passes across the territory of Bulgaria and Greece (Burgas— Alexandropoulis).

Another factor eliciting certain doubts on the part of opponents of the northern routing is the unstable political situation in Chechnya. Recent events permit us to hope that Russian control over Chechnya's transportation arteries will be reestablished. In addition, there exists the possibility of skirting the region in conflict with minimal additional expenditures, by laying pipeline from the Komsomolsk to Tikhoretsk artery. Azerbaijan could be joined to this artery through Dagestan.

The throughput capacity of the Tengiz-Novorossiysk pipeline is 50-70 million tonnes per year. To implement this project, an international consortium was created in 1992 consisting of Russia, Kazakhstan, and Oman, with equal participatory shares. Today participation in this group is being claimed by Chevron, the Azerbaijani branch of the European Bank for Reconstruction and Development, Agip, and British Gas. Each party is striving to secure for itself a guaranteed capability for transporting oil extracted in the region to West European markets.

Today, in our view, there is no competitive alternative to the northern variant for laying the pipeline. However, its successful construction will be determined by an ability to find compromise on the part of the main interested parties. The mutual dependence of potential partners is too great to ignore one another's interests. Clearly the question rests on the share of participation of the parties in development and transportation of the hydrocarbons and, accordingly, on the apportioning of profits from these transactions. It is possible that a certain compromise will be reached in the near future, insofar as all parties find themselves in a state of financial and economic trouble. This being the case, such a decision could also play a positive role in determination of the status of the Caspian Sea and in the settlement of conflicts in the Transcaucasus.

However, following the changes that took place in Kazakhstan's Cabinet of Ministers in the spring of 1995, a majority of experts now feel it is doubtful that compromise will be reached in this matter. The Chevron directorship has not yet made a decision on participation in the KTK [Kazakhstan Pipeline Consortium], and the Government of Kazakhstan has not opened up its financing for initial construction of the first segment of pipeline.

Finally, in the second half of April 1995, the United States intervened actively in the settlement of this issue, sending Assistant Energy Secretary W. White on a tour of CIS countries and Turkey. As reported by FINANSOVYYE IZVESTIYA, White's mission entailed the conduct of a new U.S. policy aimed at supporting an oil pipeline routing outside Russian territory. The newspaper noted that Washington approved the oil transportation routing from the Western Caspian in Azerbaijan along oil pipeline laid across Turkish territory. In this event, Kazakhstan would be able to connect with it across the proposed trans-Caspian pipeline. The main advantages and disadvantages of this variant have been examined above, however, enabling us to characterize these measures largely as a decision more politically than economically motivated.

Despite such active support from the United States of a non- Russian routing for the new pipeline (no one could emerge a winner, except perhaps the American monopolies exploiting Kazakhstan's oil regions), it is expected that upon completion of construction of the first segment of the KTK, planned for the end of 1995, a sound pragmatism will triumph among the interested parties, and conclusions of economic effectiveness will prevail in their approach to resolving this matter. This will bring about recognition of the Russian variant as the most prospective, with respect to solving Kazakhstan's problems dealing with export shipments of oil.

Prospects and Opportunities for Cooperation

It is difficult to overestimate the potential for economic cooperation between Kazakhstan and Russia in the fuel and energy sphere when we bear in mind that the fuel and energy complex took shape within the framework of a single managing entity, during the Soviet period. Working on Kazakhstan's coking coals in Russia, for example, are the Magnitogorsk, Orsk-Khalilovo, Nizhniy Tagil, and West Siberian metallurgy works. Kazakhstan supplies about 40 million tonnes of Ekibastuz and Karaganda energy-producing coals for heat and electric power stations in the Urals and Siberia. Kazakhstan's oil refining plants are oriented on the fractionation of Tyumen oil, while Volga complexes are oriented on Kazakh oil. In this regard, the technological scheme of these Russian and Kazakhstani enterprises are in fact tied to this raw material, and its conversion to another raw material is accompanied by significant expenditures, unjustified from the point of view of economic effectiveness.

*Industrial Effects on Environment in Kazakhstan Detailed

964F0782A Almaty AZIYA-EZH in Russian 3 Jan 96 No 1, p 16

[Report by Kazakhstan's Ministry of Ecology and Bioresources and AZIYA-EZH under the rubric "Ecology": "Environmental Effect of the Economic Activity of Basic Industries of the Economy of the Republic of Kazakhstan"]

[FBIS Translated Text]

Nonferrous Metallurgy

Industrial waste is formed by enterprises in the main from metallurgical conversion: the PO [production association] Balkhashmed and the AO's [joint-stock companies] Dzhezkazgantsvetmet, the Ust-Kamenogorskiy lead-zinc combine, the Leninogorsk polymetal combine, and the Shymkent lead plant. In 1994 they discharged 458,800 tonnes of pollutants into the atmosphere, which is 14.8 percent of the general wastes of the republic. Sulfur dioxide constitutes the main mass of the waste (83.4 percent). Nonferrous metallurgical enterprises discharged into the atmosphere a large amount of toxic compounds of lead (2.547 million tonnes), copper (1.343 million tonnes), and arsenic (1.854 million tonnes), which fall into dangerous substances class I and II.

Permissible norms of the average annual concentration of sulfur dioxide in the air were exceeded in Ust-Kamenogorsk, Leninogorsk (three PDK (maximum permissible concentration)), and Balkhash (two PDK). High lead pollution was observed in the cities of Shymkent, Dzhezkazgan, and Leninogorsk, where the average lead concentration was one to two PDK. The highest average monthly lead concentrations recorded in the city of Shymkent were 10 PDK, in Dzhezkazgan—9 PDK, and in Ust-Kamenogorsk and Leninogorsk—3 PDK.

As a result of violation of the technological regime at the lead plant in Shymkent, two cases of extremely high lead pollution of the air (56 and 62 PDK) were recorded. In Dzhezkazgan and Shymkent the level of air pollution with lead increased in comparison with 1993.

Enterprises of nonferrous metallurgy made a substantial contribution of copper and zinc to the pollution of water resources. The highest level of water system pollution was observed in East Kazakhstan Oblast. Thus, 51 cases of an extremely high level of water pollution were registered in 1994: the Glubochanka River—with lead (up to 540 PDK—16 cases) and with copper (up to 140 PDK—one case); the Krasnoyarka River—with zinc (up to 342 PDK—five cases); the Breksa River—with zinc (up to 340 PDK—six cases); the Bukhtarama River—with copper (up to 194 PDK—one case); and the Ulba River—with copper (up to 131 PDK—one case). The qualitative composition of practically all the reservoirs of the VKO [East Kazakhstan Oblast] does not meet fishing and medical requirements.

Pollution of the surface waters near springs is also taking place. The water of Lake Balkhash is polluted with copper—16 PDK, petroleum products—1.6 PDK, and phenols—10 PDK. According to classification, these waters are considered "polluted," and in the area of Bertis Bay the water of Lake Balkhash falls into the "dirty" category—class 6 quality.

The water pollution index (IZV) of the Kara-Kengir River in Dzhezkazgan Oblast increased in comparison with 1993 by 13 percent and had a value of 4.1.

In 1994 the metallurgical branch siphoned off 614.78 million cubic meters of water from natural sources and discharged 36.94 million cubic meters of polluted sewage, which is less by a factor of 1.7 than in 1993. The volume of circulating water amounted to 582.16 million cubic meters. In 1993 nonferrous metallurgical enterprises formed 32.4 million tonnes of toxic industrial waste, whose main mass is made of slag and flotation residue.

The Chemical Industry

All told there are 27 enterprises in the chemical industry. Enterprises in this branch are experiencing the biggest slump in production. From the standpoint of effect on the environment it is necessary to single out the Khambyl AO [joint-stock company] Superfosfat plant, the AO Nodfos, the AO Khimprom, the Shymkent AO Fosfor, the Aktyubinsk chrome compound plant, and the PO Karbid in the city of Temirtau. Discharges into the atmosphere by the indicated enterprises in 1994 amounted to 20,800 tonnes and fell by more than 50 percent in comparison with 1993. Despite the significant reduction in the volume of discharges by chemical industry enterprises, by virtue of the specific production features they continue to have a negative effect on the environment. The discharges of the Fosfor, Nodfos, and Superfosfat enterprises producing mineral fertilizers contain such highly toxic substances as phosphorous anhydride, phosphoric hydrogen, and hydrogen fluoride, which are in danger class 2. In 1994 more than 1,300 tonnes of phosphorous compounds were discharged into the atmosphere.

Especially toxic are the discharges of the PO Karbid and the Aktyubinsk chrome compound plant, which discharged 166 kilograms of mercury into the atmosphere of the city of Temirtau, and in the city of Aktyubinsk—4,380 kilograms of sixth valency chrome.

Power Engineering Enterprises

Enterprises of the power engineering branch are situated in practically all oblasts of the republic and are represented by GRES's [State Rayon Thermal Electric Power Stations] and TETs' [Thermal Electric Power Stations] of various levels whose total number in 1994 was 37 units.

Seven power engineering enterprises in the Pavlodar-Ekibastuz region are making the main contribution to pollution of the atmospheric air. They discharged 641,300 tonnes of harmful substances into the air, which is 51.6 percent of the total for the branch, or 20.7 percent of total republic discharges.

Together with phosphorous, carbon, and nitrogen dioxides, the discharges contain a substantial mass of volatile ash.

As a result of the technology adopted in the mining of Ekibastuz coal with its high ash content and its use without preliminary dressing, the environment of the Ekibastuz region is experiencing a substantial anthropogenic load. The principal enterprises of the ETEK [Ekibastuz fuel and energy complex] are responsible for 31.4 percent of the discharges of Pavlodar Oblast, which amounts to 233,530 tonnes. A territorial area of about 1,000 square kilometers falls in the zone of active pollution. The high smoke stacks of the GRES and wind activity allow pollutants to travel hundreds of kilometers from the station.

As a result of the inefficient work of ash trapping equipment, ash discharges into the atmosphere of the EGRES-1 [Ekibastuz state rayon thermal electric power plant-1] considerably exceed the normative level. The KPD [efficiency coefficient] of the ash trapping equipment is less than the planned indicator and amounts to -97.2 percent. Discharges of sulfur and nitrogen oxides are generally not subjected to purification and total on the order of 200,000 tonnes per year.

The gross discharges of EGRES-1 in 1994 amounted to 145,500 tonnes, of EGRES-2—72,100 tonnes.

Questions on the use of ETEK ash slag wastes, whose accumulation exceeded 50 million tonnes, have not been resolved. Since 1994 the branch has developed 17.15 million tonnes of industrial waste in the form of ash and ash slag, part of which is used as a secondary raw material.

The Oil and Gas Complex

The largest enterprises of the branch are concentrated in Atyrau, Mangistau, Kzyl-Orda, and Aktyubinsk Oblasts of the republic of Kazakhstan. The branch is represented by nine production associations and joint enterprises.

Discharges of harmful substances into the atmosphere amounted to 172,200 tonnes, and in the main mass this was gas formations of the substances carbon oxide (46,500 tonnes) and sulfur dioxide (11,600 tonnes). More than 600 million cubic meters of incidental gas were burned in flares. Gas form discharges were conducted at practically all large enterprises of the branch—the PO Tengizmunaygaz, the PO Mangistaumunaygaz, and the Kzyl-Orda PO Kumkolneft—without any kind of purification.

Pollution of the earth's surface with oil was noted in places of oil field development. This was mainly overflows of stratal waters and oil on the ground along the oil pipelines with a general area of up to tens of thousands of square kilometers.

The Construction Industry

In 1994 construction industry enterprises discharged 59,100 tonnes of harmful substances into the atmospheric air, which is less than discharges in 1993 by a factor of almost two.

The consumption of fresh water by the branch in 1994 amounted to 25.15 million cubic meters and the discharge of sewage—0.65 million cubic meters. The main volume of sewage was discharged into natural water objects without any kind of purification.

More than 536,000 tonnes of waste are formed at construction industry enterprises, of which a significant part is utilized, and only 6 percent is sent to the dump. The numerous open pits for the extraction of building materials cause substantial damage to the environment.

Housing and Municipal Services

Housing and municipal services in the republic constitute the single concern of Kazzhilkomkhoz, which includes 193 enterprises situated in all regions of the country.

In the first half year of 1994 Kazzhilkomkhoz enterprises discharged 58,070 tonnes of harmful substances into the atmosphere, 2,260 tonnes less than in 1993.

The municipal economy of the republic of Kazakhstan is one of the biggest consumers of fresh water. In 1994 it used 1069.22 million cubic meters of fresh water. The main volume of fresh water (80 percent) is expended for drinking purposes. The average daily norm of water consumption in different regions fluctuates from 100 to 500 liters per person.

The total water drainage of Kazzhilkomkhoz in 1994 was 842.6 million cubic meters. In connection with the fact that a majority of industrial enterprises dispose of their sewage without the necessary purification, "mixed sewage" comes into the general municipal facilities for mechanical and biological purification with a high concentration of salts of heavy and nonferrous metals, organic and mineral substances, petroleum products, and other toxic compounds.

In the last two years enterprises of the Kazzhilkomkhoz concern discharged (thousands of tonnes):

	1994	1993
1. Suspended substances	8,910	12,900
2. Sulfates	12,040	25,480
3. Organic substances (according to BOD)	3,580	4,850
4. Ammonium nitrate	1,271.3	2,543.6
5. Nickel	1.49	
6. SPAV [synthetic superficially active substance]	67.4	124.13
7. Fats, oil	320	858.75

Agriculture

The Ministry of Agriculture of the Republic of Kazakhstan implements coordination work for the entire republic agro-industrial complex, which includes 394 enterprises. The principal agricultural production is concentrated in the southern and central regions of the country.

North and Central Kazakhstan grow wheat, barley, vegetables, and oil-yielding crops. Southern rayons grow cotton, corn, rice, melons, winter wheat, and sugar beets.

Water consumption by the branch reaches 80 percent of the total volume of water use in the republic. In 1994 branch enterprises used 24.966 million cubic meters of water, and in comparison with the year 1993 water consumption decreased by 13 million cubic meters.

In 1994 agricultural enterprises drained into natural objects 1,470 million cubic meters of collector-drainage sewage, with which 60 tonnes of organic substances, 80 tonnes of suspended substances, and 460 tonnes of nitrogen compounds were disposed. In addition to the enumerated substances, a substantial mass of mineral fertilizers and pesticide preparations characterized by different degrees of toxicity was drained.

In 1993 the agriculture of the republic of Kazakhstan created 3.25 million tonnes of waste, the main mass of which consisted of grain crop straw (1.5), grain wastes (1.34), ash and ash slag waste (0.4). The main mass of formed waste was used as secondary raw materials, and 0.9 million tonnes was transported to the dump.

Effect on the Environment of Branches of the Economy of the Republic of Tatarstan

On the whole in 1994 industrial branches used 5,563.18 million cubic meters of fresh and sea water, which is less by 520.8 million cubic meters than in 1993. The biggest consumer of water is the Kazakhstanenergo company.

Industrial enterprises in 1994 drained 4.290 million cubic meters of sewage into natural objects, which is less by 526 million cubic meters than in 1993. The effect of the basic industrial branches of the Republic of Kazakhstan on water objects can be evaluated with the indices of the table.

Mass of polluted substances discarded into the environment from sewage of industrial enterprises (tonnes):

	1994	1993
1. Suspended substances	15,660	26,800
2. Petroleum products	80	100
3. Sulfates	49,740	95,580
4. Chlorides	31,380	142,070
5. Common phosphorous	29.23	59.5
6. Common nitrogen	1,483.12	2,232.2
7. Ammonium nitrogen	1,419.2	2,123.4
8. Phenols	0.29	0.65
9. Organic substances (BOD) [biochemical oxygen demand]	1,860	2,670
10. Nitrates	530.4	768.8
11. SPAV	25.29	45.65
12. Iron	90.72	122.23
13. Copper	8.57	16.57
14. Zinc	40.22	29.98
15. Chrome	0.26	1.80
16. Mercury	0.064	0.06

All told the main industrial branches of the republic of Kazakhstan in 1994 discharged 3.1 million tones of pollutants into the atmosphere, which is 722,900 tonnes less than in 1993. The main polluter of the air basin, as in 1993, continues to be the fuel-energy complex, whose contribution reaches 40 percent of the total annual mass of discharges into the atmosphere.

In 1994 industrial branches of the republic of Kazakhstan formed 658.9 million tonnes of wastes, the main mass of which consisted of (millions of tonnes):

flotation residue—306.0 ash slag wastes—17.15 blast furnace production slag—2.1 asbestos cement wastes—2.0 alumina production slurry—1.98

Of the total amount of formed waste, 54 million tonnes are toxic waste, and in addition 60 percent of the volume consists of nonferrous metallurgy enterprises' waste.

In 1994 about 60-70 million tonnes of industrial waste were used as secondary resources, and 2.7 million tonnes of toxic waste were utilized, which includes 0.7 million tonnes that were rendered completely harmless.

Kyrgyzstan

Kyrgyzstan: Akayev Move on Amendments to Constitution

964F0837A Moscow NEZAVISIMAYA GAZETA in Russian 12 Jan 96 p 3

[Article by Yevgeniy Denisenko: "Each Branch of Power Needs Its Own Authority: It Is Essential To Overcome the 'Deformed Multiple- Authority System'"]

[FBIS Translated Text] Askar Akayev has begun his second five- year presidential term with a cardinal resolution of a most urgent problem for Kyrgyzstan by signing an edict on a referendum to be held on 10 February 1996 on revisions and addenda to the Constitution of the republic with a precise distribution of authority among the various branches of power.

The need for a dotting of all the "i's" here has truly become the talk of the town in Kyrgyzstan. According to Askar Akayev himself, who issued a special appeal to the people, the previous parliament, the Zhogorku Kenesh, split the authority of the branches of power in such a way that the president essentially found himself in the position of the queen of England, deprived of levers for effectively influencing the solution of most important questions of state significance. At the same time, on the other hand, the Zhogorku Kenesh retained authority which was not inherently meant for it and which was unrealizable. The muddle and contradictions in its division ultimately brought about the incompetent and totally unjustified intrusion by one branch of power into the affairs of another, and instead of a prudent system of checks and balances, a deformed system of multiple authority, more precisely, of anarchy and lack of responsibility, took shape.

The new parliament, which has been in existence for almost a year now, is inordinately politicized, and authority has not yet been distributed between its chambers there. "Some deputies," Askar Akayev observed, "have hurled themselves into political games bordering on the danger of a destabilization of the situation in the country and a split in the people's unity." In the whole time that it has been operating the Zhogorku Kenesh has passed only 24 laws, 22 of which are merely laws on revisions and addenda to current legislative enactments. About 120 most important bills await consideration and immediate adoption. Parliament has yet to consider the draft law to be put to the February referendum on revisions and addenda to the Constitution, which was prepared several months ago with the participation of the president.

The proposed draft provides for a certain expansion of the powers of the president, but merely within the framework which, it says, is necessary for his discharge in full of his functions as guarantor of the constitution. Specifically, it is a question of the head of state in Kyrgyzstan not being required to achieve reconciliation with the Zhogorku Kenesh when determining the structure of the government, appointing its members and the leaders of administrative departments, adopting a decision on dismissal of the prime minister or the government, and appointing and recalling diplomatic representatives of Kyrgyzstan; in accordance with advice from the prime minister, the president can approve a unified system of the training and selection of personnel for institutions maintained at public expense and appoint the chairman of the Central Electoral Commission and one-third of the members of this commission and also the chairman of the Accounts Chamber and one-third of its members, form and take charge of the republic Security Council, and so forth. The powers of both chambers of parliament—the Legislative Assembly and the Assembly of People's Representatives—are clearly delineated also.

The president's initiative is already evoking differing opinions and assessments in Kyrgyzstan. Some people are inclined to discern in this a course toward the establishment of a presidential republic. Askar Akayev himself, however, responding to journalists' questions directly on the air, once again emphasized that the main purpose is to streamline state power and personify the responsibility of all its exponents and to raise the demands on the personnel. He noted that even in the event of public support for the proposed revisions and addenda to the basic law, the powers of the president of Kyrgyzstan would be far fewer than those of other heads of state of the CIS, not to mention those of such bastions of democracy as the United States and France, say.

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